

Mekelle University
College of Business and Economics
Department of Management



**Assessment of Customer Relationship Management Practices in Selected Private
Banks (A comparative study)**

By:
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**A Proposal Submitted in Partial Fulfillment of the Requirements for the Award of
Masters Degree in Business Administration (International Business Specialization)**

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DECLARATION

I, **Solomon Amare Teklehaimanot**, hereby declare that the thesis work entitled “Assessment of Customer Relationship Management Practices in Selected Private Banks (A comparative study)” submitted by me in partial fulfillment of the requirements for the award of the degree of master of Business Administration (International business specialization) to the College of Business and Economics, Mekelle University, Department of Management, is the outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. The matter embodied in this thesis work has not been submitted for any degree in this or any other university to the best of my knowledge and belief.

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This is to certify that the thesis work entitled “Assessment of Customer Relationship Management Practices in Selected Private Banks (A comparative study)” in Mekelle is done by **Mr. Solomon Amare Teklehaimanot**, who carried out the research under our guidance. The matter embodied in this project work has not been submitted earlier for award of any degree or diploma. We further certify that, to the best of our knowledge the work reported herein doesn’t form part of any other thesis or project report.

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EXAMINING COMMITTEE

This is to certify that the thesis prepared by Solomon Amare Teklehaimanot, entitled “Assessment of Customer Relationship Management Practices in Selected Private Banks (A comparative study)” in selected Private Banks in Mekelle and submitted in partial fulfillment of the requirements for the award of the degree of master of Business Administration (International business specialization) to the College of Business and Economics, Mekelle University, and it complies with the regulation and accepted standards of the university.

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Advisor _____ Signature _____ Date _____

Chair of Department or Graduate Program Coordinator

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Solomon Amare Teklehaimanot

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LIST OF ABBREVIATIONS AND ACRONYMS

DB	Dashen Bank
WB	Wegagen Bank
BOA	Bank of Abyssinia
CRM	Customer Relationship Management
RM	Relationship Marketing
SPSS	Statistical Package for the Social Sciences
SERVQUAL	Service Quality Measurement Tool
HNW	High Net Worth
ATM	Automated Teller Machine
KMO	Kaiser – Meyer – Olkin

ABSTRACT

This research studies customer relationship management practices (comparative study) in selected private banks in Mekelle, Ethiopia. CRM as a strategy has gained tremendous interest among researchers and practitioners in recent times. Thus, the study tries to assess the status and ways CRM has been put in to practice by selected Ethiopian private banks. In addition, this research considers different CRM dimensions such as trust, reciprocity, empathy, bonding and responsiveness. To achieve the objective of the study, primary data were collected through questionnaire from sample of 253 bank customers of Wegagen bank, Dashen bank and Bank of Abyssinia, Mekelle, Ethiopia. These respondents were selected using simple random sampling technique. The data collected through questionnaire were analyzed using descriptive statistical analysis method and SPSS as a tool of data analysis. Interviews were also conducted with management bodies of the selected private banks in Mekelle city. The result of the study indicated that, there are several loopholes; such as, lack of continuous supervision and monitoring in the quality of bank services, weakness in giving individualized attention to customers, heavy reliance on suggestion boxes to get feedback from customers, lack of technological advancement etc. In addition to the above findings, the common challenge of the selected banks is network interruption. The finding also suggests some measures which can be taken in to consideration in order to enhance CRM practices of the three selected banks. The study also clearly revealed that the five CRM dimensions are strongly related. Thus, from customers as well as management bodies of the three banks perspective, CRM has a significant influence on customer retention of the selected banks. Generally speaking the three banks are in need of doing a lot of CRM based customer focused practices. However, in implementing CRM in to practice, the selected banks had their own gaps. Comparing the selected private banks on their ability of implementing CRM practice, Dashen bank was found to be better implementer, followed by Bank of Abyssinia and Wegagen bank, respectively. Based on the findings of the study, the researcher forwards some recommendations as; continuous supervision on the quality of services, provision of training to employees, and recurrent research on customer needs may help the banks to achieve their objectives.

Key words: *Customer relationship management, private bank.*

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CHAPTER ONE: INTRODUCTION

1.1. Background of the study

According to Singh and Arora (2011), banks play a great role of considerable economic significance as intermediaries in mobilizing public savings and channelizing the flow of funds for productive purposes, keeping on the process of the economic growth of the country. On the other hand, the purpose of banking business is "accepting deposits of money from public for the purpose of lending or investing, repayable on demand through cheque/draft or otherwise" (Chaudhary and Sharma, 2011).

Chothani et al. (2010) have noted that private banks have traditionally viewed themselves as exceedingly 'Customer Centric' offering what they believe to be highly personalized services to the high net worth customers. When there are different private banking sectors, customers are needed customer centric services. So, in achieving this, the banks are deploying CRM as a tool for building customer base and enhancing revenue (Oogarah-Hanuman et al., 2011).

Agarwal (2009) noted that customer relationship management is the establishment, development, maintenance and optimization of long-term mutually valuable relationships between consumers and the organizations. More over, customer relationship management is not simply some application of software but the philosophy, the way a company works so as to build long-lasting relationships with its customers (Blery and Michalakopoulos, 2006). This supported by Agarwal (2009) is that successful customer relationship management focuses on understanding the needs and desires of the customers and is achieved by placing these needs at the heart of the business by integrating them with the organization's strategy, people, technology and business processes. Only those banking institutions that know the target customer base for their products and services will be able to achieve significantly better results, provided they use the proper channels to promote them (*Mylonakis, 2009*). Therefore, understanding of customer's expectation with regard to quality service and meeting their expectations help to retain existing customers as well as to attract the potential ones.

As stated by Blery and Michalakopoulos (2006) CRM evolved from business processes such as relationship marketing and the increased emphasis on improved customer retention through the effective management of customer relationships. Thus, if CRM practices are conceived and

implemented properly, they will enable companies to retain customers for life, get maximum value out of each customer and generate exemplary customer bonding (Tamilarasan, 2011). Through CRM practices retaining an existing customer has paramount importance for banking industry. Because, the cost of winning a new customer is five times higher than that of maintaining an existing customer (Rosenberg & Czepiel, 1984 cited in Chang, 2007). Thus, retaining an existing customer helps to save the cost of the organization.

Pritesh et al. (2010) described that the first step towards successfully winning, retaining and growing the profitability of private banking customers is to understand what their wants and needs are, so that the organization can be built around serving those needs. Customers are the source of profits to be earned by a profit making organization and the primary reason for being in the operation for not for-profit organizations (Bekele, 2011). Thus, it has been supported by Gilaninia et al. (2011) that a customer is the only source of profitability for companies in the present and future.

From the above explanation, understanding the wants and needs of customers' are essential for banking industries. Therefore, assessing CRM practices of private banks are a prerequisite to know the wants and needs of customers as well as for the success of the banking industry.

1.2. Background of the Study Units

Modern banking in Ethiopia introduced was in 1905 and it began rendering banking services on February 15, 1906 when Emperor Menelik II officially opened the Bank of Abyssinia in Addis Ababa-months after he set up a national monetary system (based on Ethiopian Thalers) and signed a convention with the national bank of Egypt for establishing the Bank of Abyssinia (Bekele, 2011).

Since economic reform of 1992 under the new government, the existing government banks have been re-organized so as to operate based on market-oriented policy framework but with 100% ownership of the government. In addition to this, the new Ethiopian private-owned financial institutions are allowed to participate in the country's financial sector (Yaregal, 2011).

The Ethiopian government promulgated the monetary and banking proclamation No.83/1994 to liberalize the financial sector through reforms by bestowed banking laws that encourage the entry of private banks into the financial system in order to stimulate competition with the public banks which significantly promoted the development of the banking sector tremendously (Gebre, 2010). According to the above proclamation, many private banks are established in the country. Among the established private banks the under listed private banks are selected to be assessed for their CRM practices.

1.2.1. Dashen bank

Lulseged and Hussein (2005) noted that as per the intent of the new policy and the Ethiopian investment code Dashen bank came into existence on September 20, 1995 according to the rules and regulations of Commercial Code of Ethiopia, 1960, and the Licensing and Supervision of Banking Business Proclamation No. 84/1994.

Currently, Dashen Bank Share Company provides various banking services. Among the given services, the bank accepts deposits, which include current accounts, savings accounts, and youth schemes while its loan portfolio comprises agriculture, manufacturing, import/export, trade and services, building and construction, transport loans, overdraft for working capital, term loans for short and project finance, letters of credit facility, advance on import bills, revolving overdraft for export bills, merchandise loans, trade bills discounted, and export credit guarantee schemes, as well as letters of guarantee comprising advance, performance bond, bid bond. In addition, the bank offers local money transfer and wire transfer facilities, which include mail transfers,

telegraphic or telephone transfers, local drafts, and cashier payment orders (**Dashen bank, www.dashenbank.com** accessed August 18,2012).

1.2.2. Bank of Abyssinia

Bekele (2011) described that the present-day Bank of Abyssinia was established on February 15, 1996 (90years to the day after the first bank was established) with a subscribed capital of Birr 25 million, an authorized capital of Birr 50 million and a paid-up capital of Birr 25 million. Except the historic name the newly established private bank can not have any connection with the older bank.

Currently, the bank has a subscribed capital of birr 315 million, an authorized capital of birr 630 million, and a paid-up capital of birr 445.74 million (including special and legal reserves); a total of 1,319 shareholders; over 1,700 employees; over 260,000 customers; an overall deposit of birr 5.14 billion; a single borrower limit of birr 111 million has already extended Birr 3.1 billion as loans; and a total of 51 branches. Therefore, given the above fact, Bank of Abyssinia provides commercial and private banking services. Among them, the bank offers current and saving accounts, time deposits, term loans, overdrafts, and letters of credit. Bank of Abyssinia was founded and is based in Addis Ababa, Ethiopia (**Bank of Abyssinia, www.bankofabyssinia.com** accessed August 18, 2012).

1.2.3. Wegagen Bank

Sisay T. et al. (2011) stated that Wegagen bank was established in 1997 with a paid-up capital of 30 million birr, the highest initial capital at the time, has now reached 633.2 million birr. Currently, according to Wegagen bank brochure which was issued on March 2012 the total capital has reached birr 1.5 billion and it has a total number of 58 branches.

Currently, Wegagen Bank S.C. provides commercial and international banking services. However, among the given service the bank offers, various deposit products, including overdraft accounts, checking deposits, negotiable order of withdrawal accounts, zero balance accounts, escrow accounts, savings deposits, and fixed time deposits while its loan portfolio comprises term loans, merchandise loans, trade and service loans, agriculture production loans, manufacturing loans, building construction loans, bridge loans, consumer loans, and automobile loans this is, therefore, given the above fact the bank also offers international banking services, forex bureau services, and local and international money transfer services are included (Wegagen bank, www.wegagenbank.com accessed August 18,2012).

1.3. Statement of the Problem

CRM is a management approach that enables organizations to identify, attract, and increase retention of profitable customers through improved relationship management (Hobby, 1999 cited in Ramkelawon, 2010). However, successful customer relationship management focuses on understanding the needs and desires of the customers and is achieved by placing these needs at the heart of the business by integrating them with the organization's strategy, people, technology and business processes (Pritesh et al., 2010).

Oogarah-Hanuman et al. (2011) have noted that many banks have used CRM tools to acquire more customers and to improve relationships with them. While, Banks are realizing that the magical formulae for attaining success in such a competitive environment is to focus on maintaining relationship with customers (Ramkelawon, 2010). Long-term customers are more likely to become a referral source and more comfortable with the service (Ramkelawon, 2010). The longer a relationship the better a bank can understand customer needs and it is a greater opportunity to retain with the service of the bank. A research by Reichheld and Sasser in the Harvard business review cited by Sehgal, 2009, confirmed that 5% increase in customer retention can increase profitability by 35% in banking business. However, Gilaninia et al. (2011) also proved that an old customer satisfied with the banking services is effective same as ten new clients in advertising and profitability of the bank.

According to Rouholamini & Venkatesh (2011) study on customer relationship management in Iranian banking industry, the practice of CRM is widely acknowledged as an important component of marketing management and corporate communication management processes in Iranian banks but unfortunately applications of CRM is not favorable.

There are several loopholes in the existing tactical CRM strategies in the Indian banking sector (Oogarah-Hanuman et al., 2011). Due to this gap customers are lost through different services that they got in the competitive environment (Oracle, 2002 cited in Rouholamini & Venkatesh, 2011). They also added that, in a competitive market where price is not a differentiator, providers of banking service can switch customers through different services.

Customer relationship management practice, particularly in the banking industry, has enormous problems. It is supported by Mishra et al. (2011), that the banking sector is facing enormous challenges of attracting the new customers and retaining the existing ones.

However, in today's banking environment, it is becoming difficult to build and maintain strong and lasting relationships with customers (Oogarah-Hanuman, 2011). A study conducted on imperatives of customer relationship management in Nigeria banking industry proves that customers have experienced challenges ranging from delay, stock out, non-availability of staff at service points, unprofessional conduct or rudeness by the staff of the bank, poor standard of records or improper information, failed promises among others (Ogbadu and Usman, 2012).

Now days, in Ethiopia the banking industry increases from time to time; as a consequence users have many choices to prefer and as a result of this they are focusing on the quality of service. In Ethiopia, many customers voice concerns about inefficiency and lack of quality in the banking sector (Gebre, 2010).

To be competitive in the prosperous market, CRM practice is the fashionable solution. But researches that have been conducted in the banking industry both by academicians and practitioners, focus on the transactional marketing rather than what specialists in marketing says. Therefore, the researcher would like to assess the status and ways CRM has been put into practice by Ethiopian private banks. This is, therefore, as Tamilarasan (2011) says, when one wants to evaluate the effectiveness of CRM, one has to consider the voices of customers which help to improve customer satisfaction and loyalty than evaluating CRM programs based on other criteria. As a result, customer perception feedback regarding the service level of private banks is essential in retaining existing customers and attracting potential ones. Therefore, to assess CRM practices a comparative study was carried out with a special reference to customers of Dashen bank Mekelle area branch, Wegagen bank Mekelle branch and Bank of Abyssinia Alula Abanega branch.

Research questions

This research intended to address the following questions:

1. What CRM practices are being implemented in the banks?
2. How do the banks differ in their CRM practices (how do they compare with one another)?
3. How do customers perceive the CRM practices of the banks?
4. What challenges are faced by the banks in implementing CRM?

The five common CRM dimensions considered in this study are trust, reciprocity, empathy, bonding and responsiveness.

1.4. Objectives of the study

1.4.1. General objective

The main objective of the study is to assess customer relationship management practices with a special reference to selected private banks at Mekelle town.

1.4.2. Specific objectives

1. To assess whether customer relationship management practices are being implemented in the banks or not.
2. To identify the banks difference on their customer relationship management practices.
3. To assess customers perception on the banks' customer relationship management practices.
4. To assess the challenges of customer relationship management applications.

1.5. Significance of the study

Banks invest large amount of money to retain existing customers as well as to acquire new customers with the intention of achieving their profitability. But to achieve this with out proper customer relationship management their investment is meaningless. Therefore, the finding and recommendations of the research may significantly contribute to the private banks:-

- i. To arrange their CRM practice in order to achieve their profit motives.
- ii. Help the private bank to know the perception of their customers related to their service.
- iii. The study tries to indicate problem areas to be researched in future time for interested researchers.

1.6. Scope and limitation of the study

1.6.1. Scope of the study

CRM practices are measured under different dimensions, for this study, the relevant dimensions that trust, reciprocity, empathy, bonding and responsiveness are examined.

The target groups of the population were taken from customers of the selected private banks that engaged in import business and user of credit facility. Of these customers, the sample size was determined by using formula from published article that is relevant to this study.

Based on the broader nature of the research, the study was limited to selected private banks of Dashen Mekelle area branch, Wegagen Mekelle branch and Bank of Abyssinia Alula Abanega branch, in Mekelle city. The city was selected for the study area because there are number of business persons who can be a source of lesson for others.

1.6.2. Limitation of the study

Conducting a research is bounded by a lot of constraints. This research has some limitations that hinder from making detail investigation of the research.

Customers of DB Mekelle area branch, WB Mekelle branch and BOA Alula Abanega branch at Mekelle area deliver banking services for large number of customers. To achieve the objective of the study, the researcher limited to customers of import business and borrowers of those selected private banks. Other branches are excluded because either they are not rendering the service under study or they did not operate for more than five years.

At last, this research focused on comparative study on assessing CRM practice of the selected private banks. Although technology and elements of SERVQUAL have their own impact in CRM practice, for this study, the effect of technology in relation to customer relationship management and elements of SERVQUAL, are not incorporated.

1.7. Organization of the study

The research paper will be structures in the following way. Chapter one deals with introduction part. The second chapter deals with review of related literature. The third chapter deals with research methodology. The fourth chapter also deals the research analysis with its discussion part. The last chapter point out the essential summary of the research finding as conclusion with its recommendation.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.1. Customer Relationship Management: The Concept

Different organizations define CRM differently (Chopra et al., 2012). For this study it is defined as the utilization of customer-related information or knowledge to deliver relevant products or services to customers (Blery and Michalakopoulos, 2006). Others also defined CRM as a managerial philosophy that seeks to build long term relationships with customers (Berndt et al., 2005). Another definition describes CRM as a simple philosophy that places the customer at the heart of a business organization's processes, activities and culture to improve his satisfaction of service and, in turn, maximize the profits for the organization (Agarwal, 2009).

Today, banks have realized the importance of CRM and its ability to retain existing customers and thereby maximization of customer lifetime value (Tamilarasan, 2011). Thus, Rouholamini & Venkatesh (2011) says the relationship between banking and CRM practices is such that nowadays it is almost impossible to think of the former without the latter. This indicates that they are inseparable.

It has been observed by Blery and Michalakopoulos (2006) that CRM helped the bank to come closer to its customers and emphasis was given to customers instead of sales. Also, Rigby et al. (2003) added that, Customer Relationship Management is, above all, about building a relationship with your most valuable customers.

Chang (2007) stated that CRM involves a concerted effort to improve customer identification, acquisition, and retention in addition to this, it aims to improve customer satisfaction, boost customer loyalty, and consequently increase revenues from existing customers. Thus, CRM involves new and advance marketing strategies which not only retain the existing customers but also acquire new customers (Jasola and Kapoor, 2008). Therefore, maintaining good CRM practice helps to retain existing customers and attract potential customers of the bank.

The first step towards successfully winning, retaining and growing the profitability of private banking customers is to understand what their wants and needs are so the organization can be built around serving those needs (Pritesh et al., 2010). One of the original big ideas in marketing is that for firms to stay in existence, they should not focus on selling products but rather on fulfilling needs (Levitt, 1960 cited in Boulding et al., 2005). To do this you need to know your

customers well enough to determine what kind of relationship they want to have (Rigby et al., 2003). In other words, successful customer relationship management focuses on understanding the needs and desires of the customers and is achieved by placing these needs at the heart of the business by integrating them with the organization's strategy, people, technology and business processes (Agarwal, 2009). Understanding what their wants and needs is necessary so the organization can build the service around those needs (Pritesh et al., 2010). But, its failure is due to improper conception and implementation of CRM practices (Tamilarasan, 2011).

2.2. The benefits of customer relationship management

In banking industry banks can get benefits either through technology or through marketing perspectives. The benefits of CRM practices and their motives stem from the establishment of a client-oriented bank management that, in turn, leads to the achievement of market competitive advantages (Mylonakis, 2009). Blery (2006) mentioned some of the other benefits from the implementation of CRM are: it reduced costs (one supplier with a long-term relationship), decreased complexity (a common platform for all the bank decreased the need for integration, offered one contact point and decreased the need for technical support) and improved operations (increased employees' capabilities, decreased the problems of maintenance and support because of the unique platform).

This research is focused in marketing perspective. Therefore, the benefit of CRM in marketing approach can describe here under. Agarwal (2009) described that a relationship-based marketing approach has the following benefits. These include:

- ✓ Over time, retail bank customers tend to increase their holding of the other products from across the range of financial products / services available.
- ✓ Long-term customers are more likely to become a referral source.
- ✓ The longer a relationship continues; the better a bank can understand the customer and his/her needs & preferences, and so greater the opportunity to tailor products and services and cross-sell the product / service range.
- ✓ Customers in long-term relationships are more comfortable with the service, the organization, methods and procedures. This helps reduce operating cost and costs arising out of customer error.

According to Gifford (2002) as cited by Ogbadu and Usman (2012), states that there are significant business benefits derivable from an integrated customer relationship management approach. Those benefits are:-

- It reduces costs, because the right things are being done (i.e., effective and efficient operation).
- It increases customer satisfaction, because they are getting exactly what they want (i.e., exceeding expectations).
- It ensures that the focus of the organization is external.
- Growth in number of customers.
- Maximization of opportunities (i.e., increased services, referrals etc).
- Increase access to a source of market competitor information.
- Highlighting poor operational processes.
- Long term profitability and sustainability.

2.3. The major challenges that banks face in implementing CRM

The banking industry is facing an ever-increasing level of competition around the world as the dynamics of the business change (Pokharel). Therefore, any bank that wishes to either grow in size of its banking operation or improve its profitability must consider the challenges affecting its customer relationship (Kumar & Rajesh, 2009 cited in Das, 2012). Because knowing CRM challenge can help in finding the true solutions.

CRM is a sound business strategy to identify the bank's most profitable customers and prospects, and devotes time and attention to expanding account relationship with those customers through individualized marketing, reprising, discretionary decision making, and customized service through the various sales channels that the bank uses (Das, 2012). Despite many benefits, CRM is exposed to various problems as discussed in the following lines (Chary and Ramesh, 2012).

1. Building and maintaining a customer database require a large investment in computer hardware, database software, analytical programmers communication links and skilled personnel.
2. It is difficult to collect the right data, especially to capture all the occasions of company interactions with the individual customers.

3. The difficulty of getting everyone in the company to be customer-oriented and to use the available information. Employees find it far easier to carry on with the traditional transaction marketing than to practice CRM.
4. The other problem is that not all customers want a Relationship with the company and they may resent knowing that the company has collected that much personal information about them.
5. Marketers must be concerned about customer attitudes towards privacy and security.

2.4. Traditional marketing and Modern relationship marketing

The modern CRM theory refers to the idea of integrating the customer: this new way of looking at the business involves integrating the customer (more precisely the customer's relevant people and processes) into all aspects of the supplier's business, however the traditional approach to customer relationships was based on a simple transaction or trade, and little more, one person on each side (Ogbadu and Usman, 2012).

There are many distinctive factors between traditional marketing and modern relationship Marketing (Chary and Ramesh, 2012). According to them they are:-

Traditional marketing	Modern relationship marketing
➤ Focus is on single sale	➤ Focus is on customer retention
➤ Orientation on product features	➤ Orientation is on product benefits
➤ Little emphasis on customer service	➤ High emphasis on customer service
➤ Limited commitment for customers	➤ High commitment for customer
➤ Moderate contact with customers	➤ High contact with customers
➤ Quality is primarily a-concern of product departments	➤ Quality is the concern of all departments of the organization.

2.5. Customer satisfaction

Agarwal (2009) point out that CRM is a simple philosophy that places the customer at the heart of a business organization's processes, activities and culture to improve his satisfaction of service and, in turn, maximize the profits for the organization. Thus, customer satisfaction forms the basis for the enhancement of mutually beneficial relationship between customers and banks (Rouholamini & Venkatesh, 2011). They also added that customer satisfaction can be attributed to factors like satisfaction with the frontline employees, the core service or the organization as a whole.

Customer satisfaction has for many years been perceived as key in determining why customers leave or stay with an organization (Cohen et al., 2006). Customers are becoming more individualistic quality conscious and impulsive in their buying behavior that demands a complete range of products and services under one roof in order to optimize their satisfaction (Chopra et al., 2012).

A customer always wants something and expects that the bank should come up to the level to fulfill those needs (Mishra et al., 2011). Individual clients need can be satisfied by customizing the banks product, service and communication. It is supported by Berndt et al. (2005) customization is carried out by the organization in order to ensure that customer needs are met, to address the specific needs and profile the customer, and organization also makes use of personalization as part of this process. This would not only ensure better customer relations but also loyalty among them, which is very critical and important in today's competitive world (Agarwal, 2009). Customer satisfaction and loyalty are inseparable to each other. Oogarah-Hanuman et.al (2011) supported that, customer satisfaction and loyalty are some key elements of business success and profitability thus the more satisfied the customer, the more loyal the customer and the more durable the relationship. Lastly, it is understood that customer satisfaction is very important for the aim of CRM practice of the banking industry.

2.6. Customer retention

Customer retention is increasingly thought of as an important managerial issue, especially in the context of saturated market or lower growth of the number of new customers (Ghavami & Olyaei, 2006). Cohen et al. (2006) have noted that customer retention is potentially an effective tool that banks can use to gain a strategic advantage and survive in today's ever-increasing banking competitive environment. Thus, organizations need to focus on existing customers in order to ensure that they continue purchasing and continue supporting the product (Berndt et al., 2005). Thus, at this time, close relationship with customers will require a strong coordination between banks and its marketing departments to provide a long-term retention of selected customers (Chary and Ramesh, 2012).

Rust and Zahorik (1993) as cited by Cohen et al. (2006), the financial implications of attracting new customers may be five times as costly as keeping existing customers. Doing so significantly helps to reduce the cost of the organization. According to Rouholamini & Venkatesh (2011),

several research show that customer acquisition costs 5 to 7 times higher than customer retention costs. Thus, since revenues increase with incremental improvements in customer retention, the ultimate goal of a professional services firm should be to retain customers (Crutchfield, 2001). However, this is only achieved when you are providing excellent customer service, which then turns in to Customer loyalty (Ghavami & Olyaei, 2006). Thus, retaining an existing customer has beneficiary to the organization than attracting new once. Villanueva and Hanssens (2007) cited by *Parker et al. (2009)* clearly stated the following five customer retention benefits. Those benefits are:-

1. It is cheaper to retain customers than to acquire them.
2. The costs of serving long-life customers are less than those of serving new customers.
3. Long-life customers improve the reputation of the company and attract new customers through word-of-mouth advertising.
4. Long-life customers are less price sensitive than new customers and are therefore more willing to pay higher prices in some cases.
5. Long-life customers are more likely to buy more from the company so the company can increase their share-of-wallet through up-selling and cross-selling.

Therefore, the above benefit proof that long-life customers are means of profit to the organization and they can attract potential customers through their formal and informal communications.

2.7. Customer loyalty

Customer loyalty, as we conceptualize it, focuses on a customer's repeat purchase behavior that is triggered by a marketer's activities (Hennig-Thurau et.al, 2002). Therefore, loyalty is the result of developing past passive experiences with an individual and having that person returned back to you various times due to these experiences (Ghavami & Olyaei, 2006). Cultivating loyal customers is frequently argued to be the single most important driver of organizations' long-term financial performance, which can lead to increased sales and customer share, lower costs, and higher prices (Alrubaiee and Al-Nazer, 2010).

The rational behind CRM is that it improves business performance by enhancing customer satisfaction and driving up customer loyalty (Roberts-Lombard, 2011). Thus, loyalty leads them to retain with the organization. Customer retention improves profitability principally by reducing

costs incurred in acquiring new customers (Cohen et.al, 2006). Therefore, we can say that they are faithful to the business because of their return again & again to do business with the organization.

2.8. Private banking and CRM practice

According to Oogarah-Hanuman et.al (2011), customer relationship management has been as important to the banking industry at the start of the 21st century as it has been to any other industry.

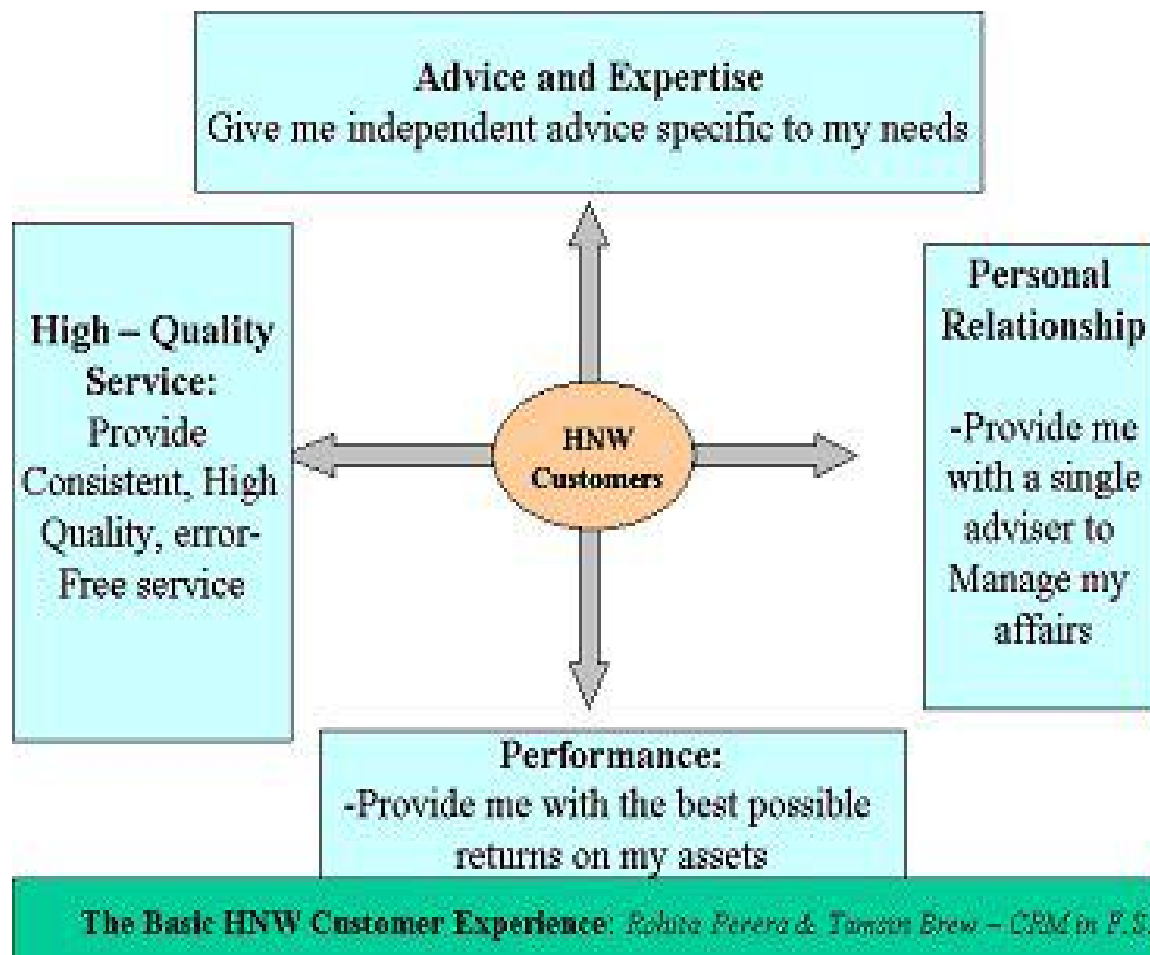
Chothani et al. (2010) described that private banking sectors are traditionally viewed themselves as exceedingly 'customer centric' offering what they believe to be highly personalized services to the high net worth Customers. It is supported by Muhammad and ul Haq (2012) that, private sector Banks seem to have satisfied its customers with good services and they have been successful in retaining their customers by providing better facilities than public sector banks though still private banks need to go a long way to become customer's first preference.

2.9. Customer experiences

The only real sustainable business growth strategy is through a mutualistic symbiotic relationship with customers, which allows the business to understand the customers' needs more clearly and to create and deliver superior value (Roberts-Lombard, 2011).

In service industry especially private banks, the secret towards successfully winning, retaining and growing the profitability of private banking customers is to understand what their wants and needs are, so that the organization can be built around serving those needs (Chothani et al., 2010). In addition to this, Boulding et.al (2005) has also added that an underlying premise of CRM is that customers have different needs, and thus the firm should treat them differently. Therefore, to mention some, customers are needed advice and expertise which is directly related to their needs, consistent quality service, value added advice and others.

Figure 2.1: The basic High Net Worth customer experience.



(Source: Chothani et al., 2010)

2.10. Breakdown of customer relationship management

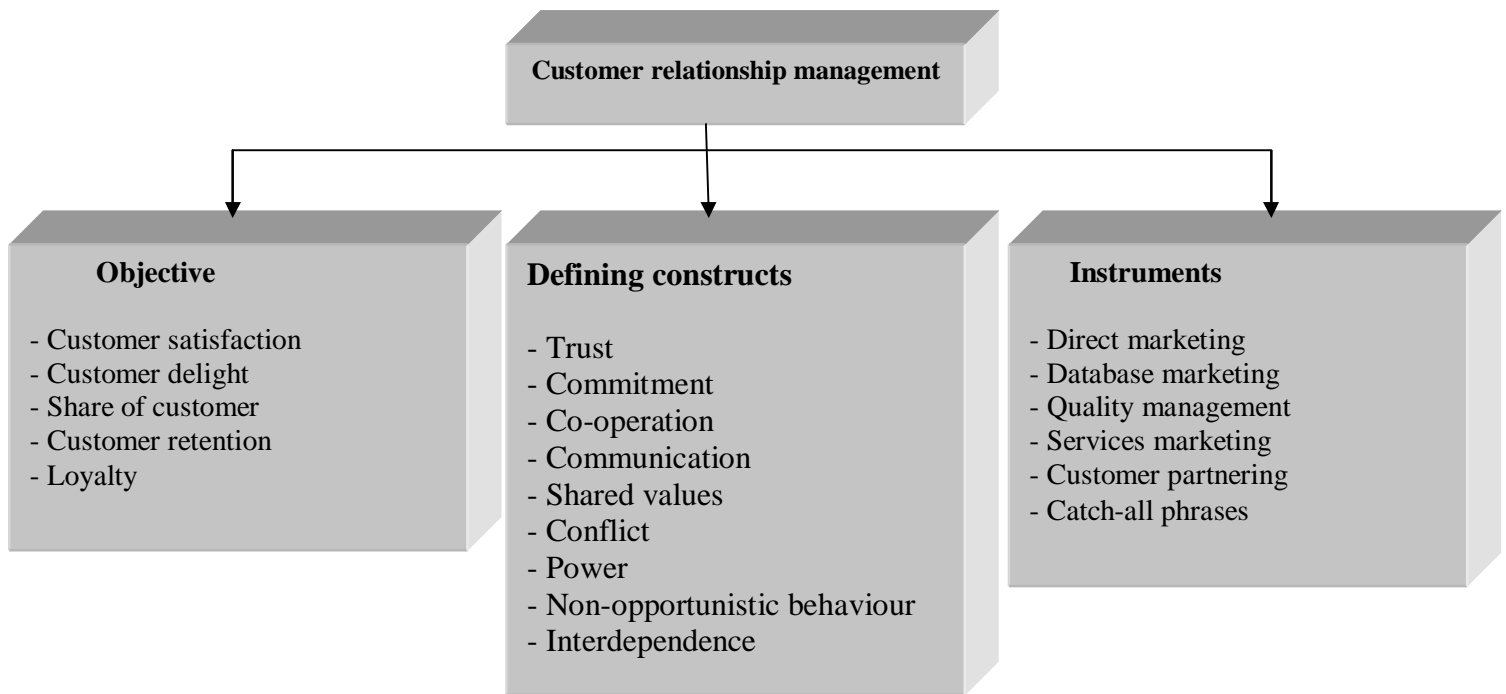
CRM has been a part of marketing literature since more than a decade (*Das and Garg, 2010*). However, marketing strategies both influence and are influenced by consumers' affect and cognition, behavior and environment (*Kantidas, 2012*). Therefore, to achieve its marketing strategy it helps to use CRM as a strategy which enables the banks to analyze the customer profiles, to direct their needs to the potential profitability areas and establish the necessary actions to achieve customer satisfaction, competitive advantage and thus the profitability (*Ogbadu and Usman, 2012*).

According to *Mylonakis (2009)*, CRM is a business strategy designed to help enterprises meet the expectations of their existing or prospective customers and build a strong business

relationship with them over time. In addition to the above strategy Chary and Ramesh (2012) also added that the major objective-cum-meaning of CRM is “to turn current and new customer into regularly purchasing clients and then to progressively move them through being strong supporters of the company and its products and finally being active and vocal advocate for the company in the market.

Das (2009) described that any discussion on RM would be incomplete without referring to CRM. Some of the researchers have used both the terms almost interchangeably (Sin et al., 2005 cited in Das, 2009). Therefore, to describe their similarities, Agarwal (2009) says that customer relationship management is the establishment, development, maintenance and optimization of long-term mutually valuable relationships between consumers and the organizations. Whereas, *Lindgreen (2001)* explained to relationship marketing as it is focused in establishment, maintaining, and enhancing relationships with customers and other partners at a profit so that the objectives of the parties involved are met. From the above explanation we can see that the definition and objective of customer relationship management and relationship marketing are almost related each other. This is, therefore, the model developed by Lindgreen (2001) to classify the various disciplines in RM has been adapted & modified to use as CRM model. Lindgreen’s model is also used by Kallol Das (2009). Therefore, the model which is adapted from Lindgreen (2001) has been described in figure-2 as follows.

Figure 2.2: Breakdown of customer relationship management into objectives, defining constructs and instruments.



Source: Adapted from Lindgreen (2001)

With regard to objectives of CRM, it has been defined in terms of customer satisfaction, customer delight, customer share, customer retention, and loyalty. All of these represent the attainment of on going relationship development objectives. Regarding defining constructs, CRM has been characterized in terms of trust, commitment, cooperation, communication, share values, conflict, power, non-opportunistic behavior and interdependence. With regard to instruments, CRM has achieved its objectives through direct marketing, database marketing, quality management and the like.

In addition to the above breakdown of CRM, there were a lot of research papers in the online databases pertaining to privacy, cultural impact, impact of gender, impact of technology, impact of societal marketing, and others that were classified as issues as they represented topics which will be directly impacted by or having an impact on CRM (Das, 2009).

2.11. Dimensions of customer relationship management

Researchers divide different mechanisms of customer relationship management into internal and external programs (Ghafari et al., 2011). According to them internal programs emphasize on organizational structure, culture and knowledge management while external programs include interactive activities with customers (for example information exchange with the customer or involving him/her). Thus, based on this the present paper has been focused on external programs of customer relationship management. This is, therefore, although CRM practices are measured under different dimensions but for this study the relevant dimensions are trust, reciprocity, empathy, bonding and responsiveness.

2.11.1. Trust

Trust is defined as a belief or conviction about the other party's intentions within the relationship (Taleghani et. al., 2011). Thus, trust plays a major role in separating purely economic actions from those that have a social nature such as with professional services (Crutchfield, 2001).

Good relationships and trust are built over time, with give and take on both sides, and not too much pressure (Rigby et. al, 2003). We conceptualize trust as existing when one party has confidence in an existing partner's reliability and integrity (Morgan and Hunt 1994).

Trust can lead to commitment, which can in turn lead to long-term cooperation between the two sides involved in a relationship (Hunt and Morgan, 1994). Therefore according to these authors, trust permits firms to lessen or avoid dependence on expensive formal controlling mechanisms to maintain their partnerships.

2.11.2. Reciprocity

Reciprocity is the dimension of a business relationship that enables either party to provide favors or make allowances for the other in return for similar favors or allowances to be received at a later date (Chattananon & Trimetsoontorn, 2009 cited in Taleghani et. al., 2011).

2.11.3. Empathy

Velnampy and Sivesan (2012) stated that empathy can be viewed as the ability to share, understand and feel another person's feelings in a relational situation. Thus, it is the dimension of a business relationship that enables two parties to see a situation from the other's perspective.

Empathy is the ability to see a situation from another person's perspective (Wang, 2007 cited in Taleghani et. al., 2011). Taleghani et. al., (2011) added to the above fact that empathy is defined as seeking to understand somebody else desires and goals.

Other writers also described to empathy (including access, communication, understanding the customer) – as caring and individualized attention that the firm provides to its customers (Kheng et. al., 2010). Therefore, Empathy is the care and importance the service provider gives to an individual customer and the degree to which specific customer needs and preferences can be understood and articulated (Taiwo et.al., 2011).

2.11.4. Bonding

As per Taleghani et. al., (2011), bonding is defined as the dimension of a business relationship that results in two parties (the customer and the supplier) acting in a unified manner toward a desired goal. They added that in the dyadic relationship of a buyer and a seller, bonding can be described as a dynamic process that is progressive over time.

If CRM practices are conceived and implemented properly, it will enable companies to retain customers for life, get maximum value out of each customer and generate exemplary customer bonding (Tamilarasan, 2011). The bonding process begins with the very basic force of the need for a seller to find a buyer for their product, and the desire for a buyer to purchase a product that will satisfy their needs. Various bonds exist between parties and indicate different levels of relationships.

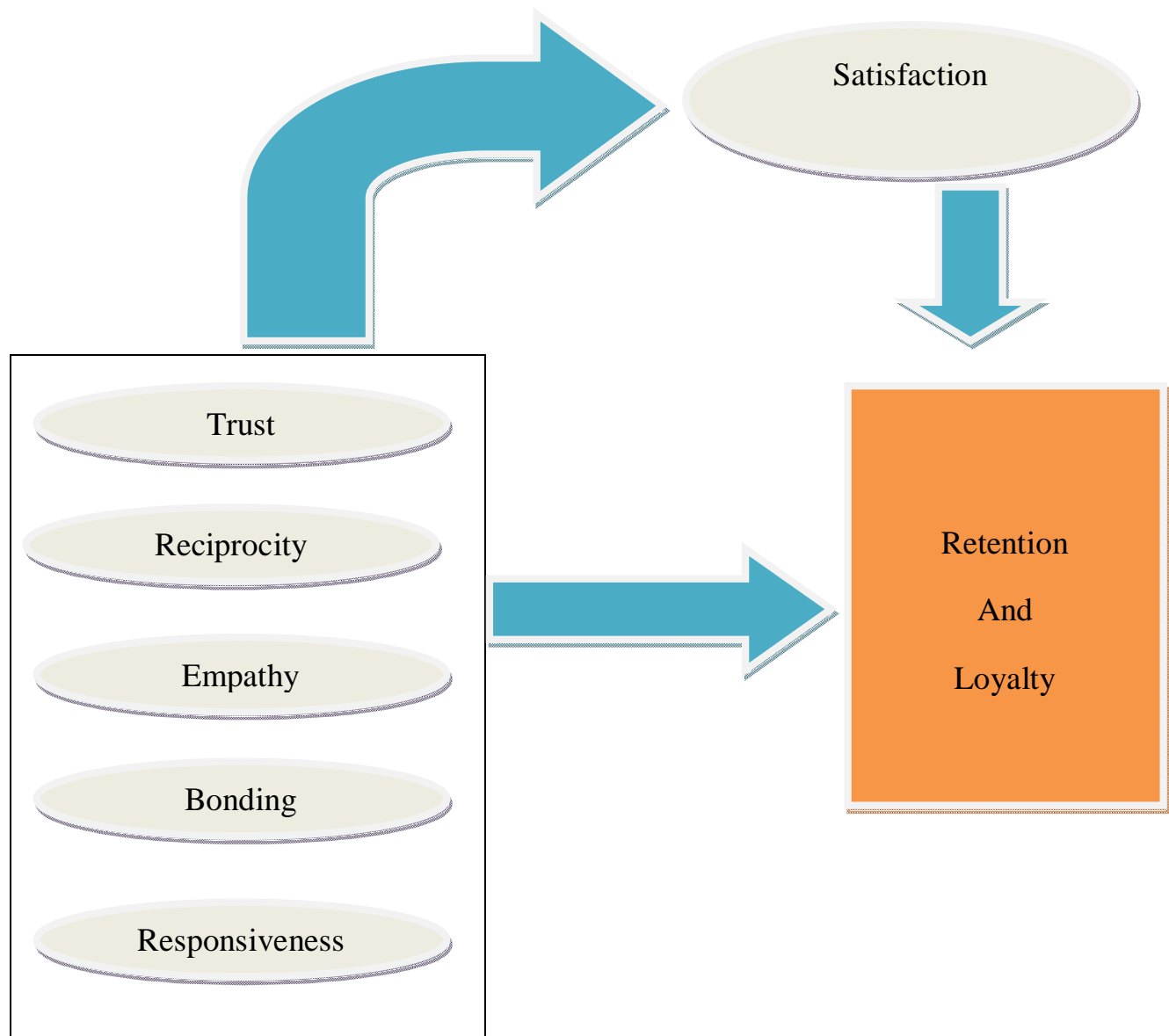
2.11.5. Responsiveness

Responsiveness is Willingness to help customers and provide prompt service (Ananth et.al., 2010; Kheng et. al., 2010). Responsiveness is the willingness to support customers and provide them immediate services right on demands. However, Taiwo et. al. (2011) described that responsiveness is the degree to which customers perceive service providers' readiness to assist them promptly.

2.12. Conceptual Framework

Callaghan et al. (1995) cited by Kojo, disclosed that trust, reciprocity, empathy, bonding and responsiveness are dimension of customer relationship management. Kojo applied the above dimension to measure customer relationship marketing. However, according to Das (2009), any discussion on RM would be incomplete without referring to CRM. Therefore, this shows that CRM and RM have a strong similarity. Sin et al., 2005 cited by Das, 2009 support the above argument as CRM and RM are focused on individual buyer-seller relationships, accept that these relationships are longitudinal in nature, and that both parties benefit in the process. Das added that CRM can be regarded as, to some extent, a subset of RM.

Figure2.3: Conceptual Framework for CRM Practice.



Source: Own Construction (2013)

3. CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research design

According to Chopra *et al.* (2012) research design is the conceptual structure within which research is conducted. They specifically indicated that “a research design is the arrangement of condition for collecting and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure”. A research design is the arrangement for a precise statement of goals and justification.

Zegeye et al. (2009) stated that the goal of descriptive research is to describe some aspect of a phenomenon, i.e., the status of a given phenomenon. However, although some people dismiss descriptive research as ‘mere description’, good description is fundamental to the research enterprise and it has added immeasurably to our knowledge of the shape and nature of our society (Vaus, 2001). He further argued that good description provokes the ‘why’ questions of explanatory research. Therefore, according to the above fact the researcher uses descriptive research design in order to describe the assessment of CRM practices of the selected private banks. To do so the researcher data were collected through questionnaire and interview.

As said by Zegeye et al. (2009), surveys collect data at a particular point in time with the intention of describing the nature of existing conditions, or identifying standards against which existing conditions can be compared, or determining the relationships that exist between specific events. Therefore, to assess CRM practices the selected private banks of Dashen Mekelle area branch, Wegagen Mekelle branch and bank of Abyssinia Alula Abanega branch were carried out.

3.2. Types and sources of data

The study mainly depends up on primary source of data. Primary data were collected from customers of the three selected private banks through questionnaire. In addition to this the researcher conducted an interview with the higher officials (branch manager and assistant branch manager) of the selected private banks.

3.3. Population of the study

The researcher selected its population size from customers of Dashen Mekelle area branch, Wegagen Mekelle branch and bank of Abyssinia Alula Abanega branch with the following parameters.

Customers should have a bank account in the selected private banks at the same time they have to be engaged in either importing business or users of credit facilities of the selected private banks of Mekelle city. They are considered as target population size of the comparative research study because they are multi users of the selected private banks.

The population sizes of the selected private banks are presented hereunder:-

Bank name	Number of Importers	Number of borrowers	Total
Dashen	50	220	270
Wegagen	19	254	273
Bank of Abyssinia	46	100	146
Total			689

Source: From credit department and international banking department of the aforementioned private banks as of May 30, 2012.

3.4. Sample size and sampling technique

From the total population size of 689 customers 253 sample of respondents were taken from the study area of the selected private banks.

Yamane (1967:886) cited in Israel (1992) which is revised on April 2009 and again reviewed on June 2012 provides a simplified formula to calculate sample sizes.

Assumptions

A 95% confidence level, and $e = \pm 5\%$

$$n = \frac{N}{1 + N (e)^2}$$

Where:-

n = the sample size

N = the population size

e = the level of precision (Sampling error)

$$n = \frac{N}{1 + N (e)^2} = \frac{689}{1 + 689 (0.05)^2} = 253$$

The 253 sample customers are distributed among the selected private banks in their proportion.

Bank name	Total	Proportion (%)	Sample size
Dashen	270	39	99
Wegagen	273	40	101
Bank of Abyssinia	146	21	53
Total	689	100	253

The study used simple random sampling technique. This helps to give each and every customer in the target population an equal chance of inclusion in the sample.

The 253 Sample customers were also selected using simple lottery method. This method helps to get better representativeness of the whole target customers of the abovementioned private banks.

To protect double counting, if a customer filled a questionnaire in one of the selected private banks he/she was not allowed to fill in another study area. This was controlled by the researcher himself.

In addition to the above technique, the study also used structured interview to get information from management body of the selected private banks (That is Branch manager and Assistant branch manager of each bank).

3.5. Data collection Instruments and procedures

3.5.1. Data Collection

The data were collected through questionnaire and interview method to generate primary data of the study. So, structured questionnaire and structured interview were used as a tool of data collection process of the study.

A 5 - point likert scale questionnaire was distributed and collected by the researcher. This helps to assure customers' response, which were kept confidential by the researcher. But if it is distributed by the researcher and collected by another person the respondents will get confused and it is difficult to get real information. So, to protect this confusion the questionnaires were distributed and collected by the researcher himself.

Regarding interview, it is collected from management body of the selected private banks. The interview session is held by the researcher himself.

3.5.2. Data processing and analysis techniques

The data collected were analyzed using qualitative and quantitative data analysis techniques. The qualitative data were analyzed using content analysis; that is items will be identified, categorized and grouped. Based on their group the data were interpreted. However, the numerical data was analyzed using SPSS (statistical packages for social science) software program. In addition to this, the data was analyzed through cross-tabulation and the significance of the CRM variables were also tested through correlation. The analytical tool is also supported using frequency and percentage techniques. The final results of the study are presented using tables and graphs.

CHAPTER FOUR: RESULTS AND DISCUSSIONS OF FINDINGS

4.1. Introduction

The primary focus of the study is to assess Customer Relationship Management Practices at selected private banks such as Wegagen bank Mekelle branch, Dashen bank Mekelle branch and Bank of Abyssinia Alula Abanega branch, in Mekelle. Therefore, this chapter presents the analysis for the responses that were received from the questionnaires distributed to customers of the selected private banks on their customer relationship management practices. The researcher was able to get back two hundred nineteen (219) out of the 253 questionnaires administered to the customers of the sampled banks giving an 86.56% response rate. On the whole, data collection lasted a total of seven (7) weeks. This was done in order to obtain a larger response rate. Of the two hundred fifty three (253) questionnaires distributed, thirty-four (34) questionnaires were not returned at all and thus not included in the analysis. At the end of the editing, all the returned questionnaires were successfully processed for the analysis.

The scale items were developed from previously suggested and validated measures in many researches and carefully restated to reflect the characteristics of CRM in banking. The analysis is done in line with the research questions and objectives set in the proposal and it is presented in the form of tables as well as graphs in order to give better explanations. All tables as well as graphs in the analysis are generated from survey data through the SPSS 16 (statistical package for social studies) after being coded. However, in addition to the SPSS version excels spreadsheets are used to make the necessary calculations.

4.2. Demographic characteristics of respondents

This aspect of the analysis deals with the basic data on the respondents of the questionnaires sent to them. The basic data comprise of the respondents sex, age, educational background, the number of years spent with the bank and their frequent usage of the bank service. The table below shows the details of the respondents' demographic data.

4.2.1. Wegagen bank Mekelle branch

4.2.1.1. Demographic Characteristics of Respondents: Wegagen Bank S.co.

Table 4.1: Demographic Characteristics of Respondents of Wegagen bank

Parameters		Frequency	Percentage	Cumulative percentage
Gender	Male	55	57.3	57.3
	Female	41	42.7	100
	Total	96	100	
Age	18 – 27	28	29.2	29.2
	28- 37	41	42.7	71.9
	38-47	17	17.7	89.6
	48-57	8	8.3	97.9
	>58	2	2.1	100
	Total	96	100	
Education	Primary school completed	10	10.4	10.4
	Secondary school completed	22	22.9	33.3
	Certificate	8	8.3	41.6
	Diploma	29	30.2	71.8
	Degree and above	27	28.2	100
	Total	96	100	
Years of relationship	[0-3]	41	42.7	42.7
	(3-5]	16	16.7	59.4
	(5-7]	17	17.7	77.1
	(7-9]	13	13.5	90.6
	>9	9	9.4	100
	Total	96	100	
Frequency of bank usage	1-3 times a week	74	77.1	77.1
	4-6 times a week	16	16.7	93.8
	1-3 times in 2 weeks	4	4.2	98
	1-3 times in 3 weeks	1	1	99
	1-3 times in 4 weeks	1	1	100
	Total	96	100	

Source: Own survey data, 2013

The above table shows us that the demographic characteristics of respondents for Wegagen Bank, Mekelle branch. Out of 101 questionnaires distributed to respondents, a total of 96 questionnaires were properly filled and collected, of which 57.3% were males and 42.7% females.

It is evident from the table that majority of bank users were found to be between the age group 28-37(47.7%). Respondents with age group between 18 up to 27 and 38 up to 47 years account

for 29.2% and 17.7%, respectively. The rest 8.3% and 2.1% are respondents in the age group between 48 up to 57 and greater than 58 years respectively.

Considering the education level of respondents, most of them have a university education or more (58.4%), which is more than half of the sampled customers. With regard to length of relationship with their bank, 42.7% of respondents have less than 3 years of relationship, 16.7% have 3 to 5 years of banking relationships, 17.7% have 5 to 7 years banking relationships, 13.5% have 7 to 9 years banking relationships and the rest 9.4% of them have been with the bank for more than 9 years. The table also shows us that 57.3% of the respondents have more than three years banking experience. The longer the customer stayed with the bank, the stronger the relationship he/she develops with it. From this we can infer that customers at WB have a good banking experience to judge the bank service.

The above table illustrates that more than three fourth of respondents (77.1%), have 1 to 3 times a week bank usage, 16.7% have 4 to 6 times a week bank usage. The rest 4.2%, 1% and 1% of the respondents are 1-3 times in 2 weeks, 1-3 times in 3 weeks and 1-3 times in 4 weeks bank usage, respectively. From this fact we can understand that 93.8% of the respondents are visiting the bank one to six times in a week. It also shows that WB is effective and in a good track in retaining existing customers in line with attracting new ones.

Table 4.2: Frequency of bank usage by age for Wegagen bank

Count							
		Age of the respondent					Total
		Age between 18 & 27	Age between 28 & 37	Age between 38 & 47	Age between 48 & 57	Age above 58	
How frequent do you use the bank's service? Please state in week's	1 to 3 times in a week	21	32	12	7	2	74
	4 to 6 times in a week	3	7	5	1	0	16
	1 to 3 times in two weeks	3	1	0	0	0	4
	1 to 3 times in three weeks	0	1	0	0	0	1
	1 to 3 times in four weeks	1	0	0	0	0	1
	Total	28	41	17	8	2	96

Source: Own survey data, 2013

Comparing the age of respondents with frequency of bank service usage for Wegagen bank (Table 4.2), majority of sample respondents were found to be below 47 years old.

4.2.2. Dashen bank Mekelle branch

4.2.2.1. Demographic Characteristics of Respondents: Dashen Bank S.co.

Table 4.3: Demographic Characteristics of Respondents of Dashen bank

Parameters		Frequency	Percentage	Cumulative percentage
Gender	Male	49	62.0	62.0
	Female	30	38.0	100
	Total	79	100	
Age	18 – 27	23	29.1	29.1
	28- 37	24	30.4	59.5
	38-47	23	29.1	88.6
	48-57	6	7.6	96.2
	>58	3	3.8	100
	Total	79	100	
Education	Primary school completed	10	12.7	12.7
	Secondary school completed	16	20.3	33.0
	Certificate	4	5.1	38.1
	Diploma	31	39.2	77.3
	Degree and above	18	22.7	100
	Total	79	100	
Years of relationship	[0-3]	21	26.6	26.6
	(3-5]	24	30.4	57.0
	(5-7]	14	17.7	74.7
	(7-9]	12	15.2	89.9
	>9	8	10.1	100
	Total	79	100	
Frequency of bank usage	1-3 times a week	59	74.7	74.7
	4-6 times a week	7	8.9	83.6
	1-3 times in 2 weeks	4	5.1	88.7
	1-3 times in 3 weeks	5	6.3	95.0
	1-3 times in 4 weeks	4	5.0	100
	Total	79	100	

Source: Own survey data, 2013

The above table shows us that the demographic characteristics of respondents for Dashen bank, Mekelle branch. Out of 99 questionnaires distributed to respondents, a total of 79 questionnaires were properly filled and collected, of which 62.0% were males and 38.0% females. It can be said from the survey that, most of the banks customers are between the ages of 18 and 47. This is derived from the fact that the age range of 18-27, 28-37 and 38-47 when put together will amount to 88.6%.

On the education level of sampled customers, most of them have had a university education or more, this fraction of the customers were 61.9% which is more than half of the sampled customers. Therefore this suggests that CRM can be well assessed from this kind of customers better through questionnaire. With regard to length of relationship with their bank, 26.6% of respondents have less than 3 years of relationship, 30.4% have between 3 to 5 years of banking relationships, 17.7% have between 5 to 7 years banking relationships, 15.2% have between 7 to 9 years of banking relationships, and the rest 10.1% of them are remain credible to banks for more than 9 years. The table also shows us that 57.0% of the respondents have less than five years banking experience. The above table illustrates also that, more than three fourth of respondents (74.7%), have 1 to 3 times a week bank usage, 8.9% have 4 to 6 times a week bank usage. The rest 5.1%, 6.3% and 5.0% of the respondents are 1-3 times in 2 weeks, 1-3 times in 3 weeks and 1-3 times in 4 weeks bank usage, respectively.

Table 4.4: Frequency of bank usage by age for Dashen bank

Count							
		Age of the respondent					Total
		Age between 18 & 27	Age between 28 & 37	Age between 38 & 47	Age between 48 & 57	Age above 58	
How frequent do you use the bank's service? Please state in week's	1 to 3 times in a week	16	15	20	5	3	59
	4 to 6 times in a week	2	3	1	1	0	7
	1 to 3 times in two weeks	0	3	1	0	0	4
	1 to 3 times in three weeks	2	3	0	0	0	5
	1 to 3 times in four weeks	3	0	1	0	0	4
	Total	23	24	23	6	3	79

Source: Own survey data, 2013

Regarding the age of respondent with the frequency usage of bank service for Dashen bank (Table 4.4), it illustrates that, age group between 28 and 37 were more frequent user than the other age groups. Therefore, we can infer that when the age of Dashen bank customers is above 37 years old their frequency of bank usage becomes lesser and lesser.

4.2.3. Bank of Abyssinia Alula Abanega branch

4.2.3.1. Demographic Characteristics of Respondents: Bank of Abyssinia S.co.

Table 4.5: Demographic Characteristics of Respondents of Bank of Abyssinia

Parameters		Frequency	Percentage	Cumulative percentage
Gender	Male	29	64.4	64.4
	Female	16	35.6	100
	Total	45	100	
Age	18 – 27	14	31.1	31.1
	28- 37	18	40.0	71.1
	38-47	9	20.0	91.1
	48-57	3	6.7	97.8
	>58	1	2.2	100
	Total	45	100	
Education	Primary school completed	5	11.1	11.1
	Secondary school completed	10	22.2	33.3
	Certificate	4	8.9	42.2
	Diploma	18	40.0	82.2
	Degree and above	8	17.8	100
	Total	45	100	
Years of relationship	[0-3]	10	22.2	22.2
	(3-5]	13	28.9	51.1
	(5-7]	6	13.3	64.4
	(7-9]	13	28.9	93.3
	>9	3	6.7	100
	Total	45	100	
Frequency of bank usage	1-3 times a week	35	77.8	77.8
	4-6 times a week	9	20.0	97.8
	1-3 times in 2 weeks	1	2.2	100
	1-3 times in 3 weeks	0	0.0	
	1-3 times in 4 weeks	0	0.0	
	Total	45	100	

Source: Own survey data, 2013

A demographic profile of sampled respondents is presented in Table 4.5 above. From the total of 53 distributed questionnaires 45 were filled and returned properly. The respondents are comprised of 64.40% males and 35.60% females. This shows significance difference between the respondents' gender i.e. male customers are more than of female customers. This can be resulted from the lower women's participation in the country's economy in general and in business activities in particular.

Regarding the age of the sample respondents, majority of the sampled respondents are in the age range between 28-37 years old which accounts 40.0%. 18-27 years old are 31.1%; 38-47 years old (20.0%) followed by 48-57 years old (6.7%) and the rest age group (Above 58) is covering 2.2% of the total sample respondents. This indicates multi-modal distribution among different age groups.

However, concerning respondents education, larger proportion of the respondents have Diploma completed 18(40.0%), secondary school completed 10 (22.2%), degree and above 8(17.8%) followed by 5(11.1%) of sample respondents are primary school completed and 4(8.9%) have certificate. This indicates that, all the sampled respondents are literate. Therefore, this suggests that, CRM can better be assessed from this kind of customer using questionnaire. Because, such types of customers may initiate the bank to adopt new technological systems that may provide it with opportunities for competitive advantages over its rivals.

With regard to length of relationship with their bank, 22.2% of sampled respondents have less than 3 years of banking relationship, 28.9% have between 3 to 5 years of banking relationships, 13.3% have between 5 to 7 years banking relationships, 28.9% have between 7 to 9 years of banking relationships, and the rest 6.7% of them are stick to banks for more than 9 years. Most sample respondents (77.8%) stay with the bank for more than three years. Thus, the longer the customer stayed with the bank, the stronger the relationship he /she can develop. As a result, this may lead both the bank and customer to trust each other, and the customers will be willing to recommend their bank to friends, family members and others; and generate positive word of mouth. This entails the bank is effective and in a good track on retaining existing customers than attracting new ones.

The above table illustrates also that, more than three fourth of respondents (77.8%), have 1 to 3 times a week bank usage, 20% have 4 to 6 times a week bank usage. The rest 2.2% of the respondents are 1-3 times in 2 weeks.

Table 4.6: Frequency of bank usage by age for Bank of Abyssinia

Count							
		Age of the respondent					
		Age between 18 & 27	Age between 28 & 37	Age between 38 & 47	Age between 48 & 57	Age above 58	Total
How frequent do you use the bank's service? Please state in week's	1 to 3 times in a week	10	14	7	3	1	35
	4 to 6 times in a week	3	4	2	0	0	9
	1 to 3 times in two weeks	1	0	0	0	0	1
	Total	14	18	9	3	1	45

Source: Own survey data, 2013

One can clearly observe from the table (Table 4.6) that age group between 28 and 37 were more frequent user than the other age groups. Thus, when the age of a person is above 37 years old the frequency of bank usage becomes lesser and lesser.

4.3. Reliability of the data

Reliability analysis helps to test the internal consistency of the measures before launching the questionnaire to the respondents using Cronbach's alpha as it is the most frequently used reliability measure by researchers to test the internal consistency instruments (Mohammad, *n.d*). Reliability test coefficient can hold a value of 0 to 1 and the result of 0.7 and above implies an acceptable level of internal reliability (Shifera, 2011).

The result of KMO and Bartlett's Test of Sphericity as depicted in table 4.8 above shows that the computed KMO measures value of 0.87 and significant ($p < 0.005$). Thus, the sample data is suitable for further analysis.

4.5. Assessment of correlations

Correlation measures the strength of the linear relationship between two variables. Thus, Pearson's correlation is used to identify whether there are relationships between the variables and to describe the strength and the direction of the relationship between two variables (Mohammad, *n.d*). According to Berndt et. al (2005), the level of association as measured by Pearson's co-efficient falls between -1.0 and +1.0, which indicates the strength and direction of association between the two variables. The interpretation of the result is as follows; a correlation result between 0 to 1 implies positive relationship, 0 (zero) for no relationship, 1 for perfect positive relationship, -1 for perfect negative relationship and between -1 to 0 indicate the existence of negative relationship. Though it indicates the existence of a positive or negative relationship, the strength of such a relationship is not high when the results fall below ± 0.61 (Oogarah-Hanuman et. al, 2011). It is also supported by Berndt et. al (2005), the rules of thumb proposed by Burns & Bush (in van Heerden, 2001) suggests that "moderate" ends at ± 0.60 , and "strong" starts at ± 0.61 .

Table 4.9: Correlation

		Correlations				
		Trust	Reciprocity	Empathy	Bonding	Responsiveness
Trust	Pearson Correlation	1	0.805**	0.834**	0.780**	0.765**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000
Reciprocity	Pearson Correlation	0.805**	1	0.851**	0.765**	0.792**
	Sig. (2-tailed)	0.000		0.000	0.000	0.000
Empathy	Pearson Correlation	0.834**	0.851**	1	0.807**	0.772**
	Sig. (2-tailed)	0.000	0.000		0.000	0.000
Bonding	Pearson Correlation	0.780**	0.765**	0.807**	1	0.872**
	Sig. (2-tailed)	0.000	0.000	0.000		0.000
Responsiveness	Pearson Correlation	0.765**	0.792**	0.772**	0.872**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Own survey data, 2013

As clearly shown from the table above, there exists strong (since all the correlation coefficients are greater than the agreed standard, 0.61) and positive relationship between different CRM dimensions (trust, reciprocity, empathy, bonding and responsiveness variables) and it is also found to be significant at 95% confidence interval.

4.6. Introduction about CRM variables

For this study, five variables (trust, reciprocity, empathy, bonding and responsiveness) and miscellaneous questions were used as a proxy of CRM of banks under consideration. A t-test has been also conducted to confirm the significance of trust, reciprocity, empathy, bonding and responsiveness variables for selected private banks. To confirm their significance, miscellaneous questions were also tested. All variables were measured by different response results, the least

being strongly disagree and the highest being strongly agree. The one sample T-test for the selected banks was conducted at 95% confidence interval of the difference and the results for the three private banks were found to be significant. The T-test, table as well as figure results for Wegagen, Dashen and Bank of Abyssinia are presented here under.

4.6.1. Trust

Trust is a belief or conviction about the other party's intentions within the relationship (Taleghani *et al.*, 2011). It can be also perceived as sincerity about the other party's intentions. This can in turn lead to long-term cooperation between the two sides involved in a relationship (Hunt and Morgan, 1994).

Table 4.10: One sample T- test on trust for Wegagen bank

	One-Sample Test					
	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
You feel safe in all of your transactions with your bank.	35.217	95	.000	4.052	3.82	4.28
The bank always does what it promised to do.	33.698	95	.000	3.844	3.62	4.07
I am confident on the financial status of the bank.	43.527	95	.000	4.177	3.99	4.37
I am confident that the bank will take care of me in case I incur financial loss.	28.890	95	.000	3.573	3.33	3.82
The bank is trustworthy on calculating charges.	42.704	95	.000	4.146	3.95	4.34
The bank is trustworthy during cash payment process	43.311	95	.000	4.229	4.04	4.42
The bank provides consistent quality services at different time.	36.821	95	.000	3.802	3.60	4.01

Source: Own Survey Data, 2013

One sample T – test has been conducted for WB as shown in the above table. The test results for all items of trust dimension of CRM were found to be highly significant at 95% confidence level. From the t-test results, customers confidence on the financial status of WB and the trustworthiness of the bank during cash payment process have the highest t-values of 43.527 and 43.311 respectively, followed by the calculating charges of the bank which has a t- test result of 42.704, the bank provides consistent quality services at different times has also a t- test result of 36.821. With regard of the variable, customer's safety to undertake transactions with their bank, a t-test result of 35.217 was found. 'The variable ;the bank always does what it promised to do' has a t- test result of 33.698 and the take care of the bank in case they encounter financial loss has the least t-test result of 28.890. The two tailed alpha level or level of significance (Sig.) for all trust variables has $P=0.000$ values. Therefore, all trust variables of WB are highly significance.

Table 4.11: One sample T- test on trust for Dashen Bank

One-Sample Test						
	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
You feel safe in all of your transactions with your bank.	51.418	78	.000	4.152	3.99	4.31
The bank always does what it promised to do.	39.219	78	.000	3.962	3.76	4.16
I am confident on the financial status of the bank.	48.310	78	.000	4.342	4.16	4.52
I am confident that the bank will take care of me in case I incur financial loss.	22.668	78	.000	3.405	3.11	3.70
The bank is trustworthy on calculating charges.	57.081	78	.000	4.329	4.18	4.48
The bank is trustworthy during cash payment process	60.171	78	.000	4.418	4.27	4.56
The bank provides consistent quality services at different time.	37.108	78	.000	3.949	3.74	4.16

Source: Own Survey Data, 2013

From the t-test results shown in the above table (table 4.11), all trust factors for DB are statistically significant at 95% confidence interval. According to the test result, the bank is trustworthy during cash payment process has highest t-test statistics of 60.171, the bank is trustworthy on calculating charges has the next highest t- test value of 57.081, followed by customer's feel safe in all their transactions with their bank with t-value of 51.418. Confidence on the financial status of the bank has t-value of 48.310, the bank doing what it promised to do have a t-test of 39.219, consistent quality services of the bank has also a t-test result of 37.108 and customer's confidence at their bank when they encounter financial loss has the least t-test result of 22.668. This shows us that there is a variation in each item value. However, as *P-value* is less than 0.05, all trust variables of DB are significance for further analysis.

Table 4.12: One sample T- test on trust for Bank of Abyssinia

One-Sample Test						
	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
You feel safe in all of your transactions with your bank.	26.174	44	.000	4.156	3.84	4.48
The bank always does what it promised to do.	35.377	44	.000	4.267	4.02	4.51
I am confident on the financial status of the bank.	30.580	44	.000	4.378	4.09	4.67
I am confident that the bank will take care of me in case I incur financial loss.	29.269	44	.000	4.156	3.87	4.44
The bank is trustworthy on calculating charges.	27.777	44	.000	4.467	4.14	4.79
The bank is trustworthy during cash payment process	38.268	44	.000	4.489	4.25	4.73
The bank provides consistent quality services at different time.	25.704	44	.000	4.133	3.81	4.46

Source: Own Survey Data, 2013

At 95% confidence interval, one sample t test also conducted for trust variable for BOA. Accordingly, like DB, BOA has also scored highest t-test value of 38.258 on cash payment process variable. The t- test result on the bank always does what it promised to do has the next highest t-value of 35.377, customers confidence on the financial status of the bank has a t-value of 30.580, customers' confidence on the ability of the bank to take care of them when they encounter financial problem has a t-value 29.269, the trustworthiness of the bank on calculating charges (a t-value of 27.777), followed by you feel safe in all of your transactions with your bank (a t-value 26.174), and the bank provides consistent quality services at different time has the least t-test value of 25.704. The table above also shows us that trust level of BOA with its customers is good in specific items. However, the trust feeling levels of the bank with its customers on the remaining items show comparatively low.

4.6.1.1. Customers' attitude on – “you feel safe in all of your transactions with your bank.”

Table 4.13: Summary of customer perception on their feeling in their transactions

Q 1: You feel safe in all of your transactions with your bank.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	7	7.3	2	2.5	2	4.4
Disagree	3	3.1	0	0.0	3	6.7
Neither disagree nor agree	7	7.3	3	3.8	1	2.2
Agree	40	41.7	53	67.1	19	42.2
Strongly agree	39	40.6	21	26.6	20	44.5
Total	96	100	79	100	45	100

Source: Own Survey Data, 2013

As clearly shown in table 4.13 above, 7.3% and 3.1% of the respondents strongly disagree and disagree, respectively, with the statement about their feeling of safety in their transactions with their bank, considering Wegagen bank. About 7.3% of the respondents are neutral. Majority of sample respondents do feel safe on the transaction with their bank (41.7% of them agree and 40.6% of them strongly agree). On the other hand, majority of the sample respondents for Dashen bank (67.1%) agree and (26.6%) of them strongly agree with less extent (3.8%) neutral and (2.5%) strongly disagree with their safe feeling in conducting transactions with their bank.

Moreover, for Bank of Abyssinia 4.4% of the respondents strongly disagreed, 6.7% of them are disagree with the use of customer relationship management about their safe feeling in all of their transactions with their bank. In addition, 44.5% of the respondents strongly agree and 42.4% of them have agreed with the statement while about 2.2% of them become neutral. In aggregate above 80% of the respondents agreed that they feel safe in conducting transaction with their banks. This inturn helps the banks to retain the existing customers and attract new ones.

4.6.1.2. Customers' attitude on – “the bank always does what it promised to do.”

Table 4.14: Summary of customer perception on the bank always does what it promised to do

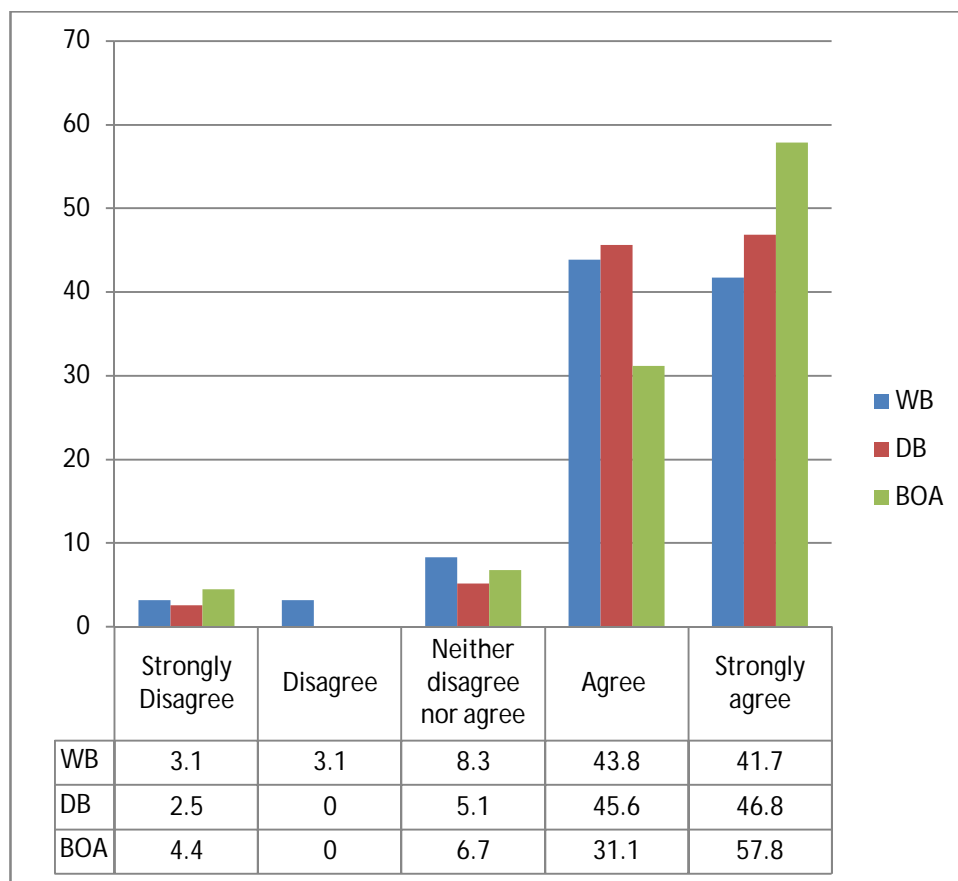
Q 2: The bank always does what it promised to do.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	4	4.2	2	2.5	0	0
Disagree	10	10.4	3	3.8	1	2.2
Neither disagree nor agree	14	14.6	12	15.2	7	15.5
Agree	37	38.5	41	51.9	16	35.6
Strongly agree	31	32.3	21	26.6	21	46.7
Total	96	100	79	100	45	100

Source: Own Survey Data, 2013

Considering the feeling of respondents on the performance of the banks in terms of keeping their promise, 4.2%, 10.4% and 14.6% of Wegagen bank customers are strongly disagree, disagree and neither agrees nor disagrees, respectively. About 70% of the customers are, however, satisfied with their bank's loyalty in keeping its promise. Similarly, 15.2% of DB respondents became neutral, 3.8% disagree and 2.5% strongly disagree with the statement 'the bank keeps its promise', while 51.9% and 26.6% of the respondents agreed and strongly agreed, respectively. The same result is also seen for BOA, in which majority of the respondents (82.3%) satisfied with their bank promise keeping performance. Though customers of all banks perceive their respective banks were better in keeping their promises, Bank of Abyssinia is better in doing what is promised to do relative to DB and WB, respectively.

4.6.1.3. Customers' attitude on – “I am confident on the financial status of the bank.”

Figure 4.1: Confidence on the financial status of the bank



Source: Own Survey Data, 2013

Sample respondents were also asked a question about their level of confidence on the financial status of their banks. The picture presented on figure 4.1 tells us this fact. Considering WB alone 85.5% of the respondents were found to be confident on the financial status of the bank, the rest 6.2% of the respondents do not have confidence on the financial performance of their bank while 8.3% of them show neutrality. Similar results are also found for DB and BOA in which both banks' customers are confident enough on their financial sustainability. DB, however, perceived as financially strong by customers confidence on financial reliability of the bank, followed by BOA and WB.

4.6.1.4. Customers’ attitude on – “I am confident that the bank will take care of me in case I incur financial loss.”

Table 4.15: Summary of customer’s perception on the bank will take care of me in case I incur financial loss.

Q 4: I am confident that the bank will take care of me in case I incur financial loss.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	9	9.4	10	12.7	1	2.2
Disagree	5	5.2	10	12.7	0	0.0
Neither disagree nor agree	30	31.2	17	21.5	11	24.4
Agree	26	27.1	22	27.8	12	26.7
Strongly agree	26	27.1	20	25.3	21	46.7
Total	96	100	79	100	45	100

Source: Own Survey Data, 2013

One measure of bank trust is customers’ confidence on the ability of the bank to take care of them when they encounter financial problem. In this regard, 54.2%, 53.1% and 73.4% of sample respondents of WB, DB and BOA, respectively, believe that their corresponding banks will assist them if they encounter any financial loss. However, 31.2%, 21.5% and 24.4% of respondents neither disagree nor agree on their banks assistance at the time of financial loss. 14.6%, 25.4% and 2.2 % of the respondents of WB, DB and BOA, respectively, however, do not have any confidence on the assistance ability of their banks when they face financial difficulty. The above table also tells us that, though significantly large proportions of the respondents have doubt on the provision of financial support by their banks, the figure is even higher for WB than the two banks. In addition, considering the above variable as indicator of trust, larger proportion of respondents were found to be less confident for DB, compared to WB and BOA.

4.6.1.5. Customers’ attitude on – “the bank is trustworthy on calculating charges.”

Table 4.16: Summary of customers’ perception on the bank is trustworthy on calculating charges.

Q 5: The bank is trustworthy on calculating charges.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	4	4.2	1	1.3	3	6.7
Disagree	2	2.1	0	0	0	0
Neither disagree nor agree	7	7.3	3	3.8	2	4.4
Agree	46	47.9	43	54.4	8	17.8
Strongly agree	37	38.5	32	40.5	32	71.1
Total	96	100	79	100	45	100

Source: Own Survey Data, 2013

Trustworthiness of banks in calculating different charges of their customers can also be used as a measure of CRM. In this regard, 6.7%, 4.4%, 88.9 of the respondents strongly disagree; neither agrees nor disagrees and trusts their bank, respectively, considering Bank of Abyssinia. Large proportion of DB customers (around 95%) of the respondents agreed with trustworthiness of the bank in calculating charges and the remaining 5% of the respondents were neutral and disagree with the above statement. Similar results were also found for WB in which 6.3% of the respondents disagree with trustworthiness on calculating their charges. On the contrary, 7.3% of the respondents neither agreed nor disagreed with the statement above, whereas 86.4% of them agreed. This shows that all the three banks are trustful in calculating charges. However, the degrees of trustworthiness vary from higher to lower among DB, BOA and WB, respectively.

4.6.1.6. Customers’ attitude on – “the bank is trustworthy during cash payment process.”

Table 4.17 below shows a comparison of the three banks on the variable “trustworthiness of banks during cash payment process”. Considering Wegagen bank alone, 4(4.2%) and 1(1.1%) of the respondents strongly disagree and disagree, 8(8.3%) neutral, 39(40.6%) agree and 44(45.8%) strongly agree with the variable indicated above, respectively.

Table 4.17: Summary of customer's perception on the bank is trustworthy during cash payment process.

Q 6: The bank is trustworthy during cash payment process						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	4	4.2	1	1.3	1	2.2
Disagree	1	1.1	0	0	0	0
Neither disagree nor agree	8	8.3	1	1.3	2	4.5
Agree	39	40.6	40	50.6	15	33.3
Strongly agree	44	45.8	37	46.8	27	60.0
Total	96	100	79	100	45	100

Source: Own Survey Data, 2013

On the other hand, almost all of the respondents of Dashen Bank, 77(97.4%) agreed, the remaining 1(1.3%)s strongly disagree and 1(1.3%) are neutral with the statement indicated in the above table. Moreover, for Bank of Abyssinia, 1(2.2%) of the respondents strongly disagree, 2(4.5%) neither agreed nor disagree, and 42(93.3%) of them agree in relation of their bank trustworthiness during cash payment process.

4.6.1.7. Customers' attitude on – “the bank provides consistent quality services at different times.”

Table 4.18: Summary of customer's perception on the bank provides consistent quality services at different times.

Q 7: The bank provides consistent quality services at different time.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	4	4.2	2	2.5	2	4.4
Disagree	6	6.2	4	5.1	2	4.4
Neither disagree nor agree	18	18.7	13	16.5	5	11.1
Agree	45	46.9	37	46.8	15	33.4
Strongly agree	23	24.0	23	29.1	21	46.7
Total	96	100	79	100	45	100

Source: Own Survey Data, 2013

Bank customers need to have quality of service which persists through out the operation of the bank. As clearly showed in the table above, 68(70.9%) of the respondents of WB agree and strongly agree with consistency of their bank in providing quality service every time. On the

other hand, 60(75.9%) of the respondents of Dashen bank agree while 13(16.5%) of the respondents neither agreed nor disagreed. The remaining 6(7.6%) of them disagree with the statement consistency of quality service provision. The table above also revealed that, 4(8.8%) of the respondents disagree with the statement “the bank provides consistent quality services?” This statement helps the bank to assess its quality service. However, 5(11.1%) of the respondents are neutral whereas 36(80.1%) of the respondents agreed with the statement.

4.6.2. Reciprocity

Reciprocity is the dimension of a business relationship that enables either party to provide favors or make allowances for the other in return for similar favors or allowances to be received at a later date (Chattananon & Trimetsoontorn, 2009 cited in Taleghani *et al.*, 2011). Thus Reciprocity becomes a virtue, a trait necessary for a rational individual to have if they are to aspire to excellence in moral behavior.

Table 4.19: One sample T- test on reciprocity variables for Wegagen bank

One-Sample Test						
	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
The bank helps me to solve difficulties, so I am responsible to repay their kindness.	33.939	95	.000	3.792	3.57	4.01
The bank keeps its promises.	32.231	95	.000	3.719	3.49	3.95
The bank and you work for mutual benefit.	40.959	95	.000	4.125	3.93	4.32
The bank and you are interdependent.	33.828	95	.000	3.896	3.67	4.12

Source: Own Survey Data, 2013

From the perspective of customers, the bank and you work for mutual benefit has the highest t-value of 40.959, the bank helps me to solve difficulties; so I am responsible to repay their kindness has the next t-value of 33.939, the interdependence between the bank and its customers

has a t-test value of 33.828 and keeping promises of the bank has t-value of 32.231. This shows promise keeping of the bank has least value than the other reciprocity variables.

Table 4.20: One sample T- test on reciprocity variables for Dashen bank

One-Sample Test						
	Test Value = 0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
The bank helps me to solve difficulties, so I am responsible to repay their kindness.	44.346	78	.000	4.089	3.91	4.27
The bank keeps its promises.	42.744	78	.000	4.089	3.90	4.28
The bank and you work for mutual benefit.	49.340	78	.000	4.392	4.22	4.57
The bank and you are interdependent.	44.840	78	.000	4.342	4.15	4.53

Source: Own Survey Data, 2013

From the t-test results of Dashen bank we can observe that, the bank and you work for mutual benefit and the bank and you are interdependence each other have the highest t-values of 49.340 and 44.840 respectively, followed by the bank helps me to solve difficulties, so I am responsible to repay their kindness has a t- test result of 44.346, and keeping promises of the bank has the least t-test result of 42.744. Given the p value of (P=0.000), one can say that the test statistics is significant even at 99% confidence interval.

Table 4.21: One sample T- test on reciprocity variables for Bank of Abyssinia

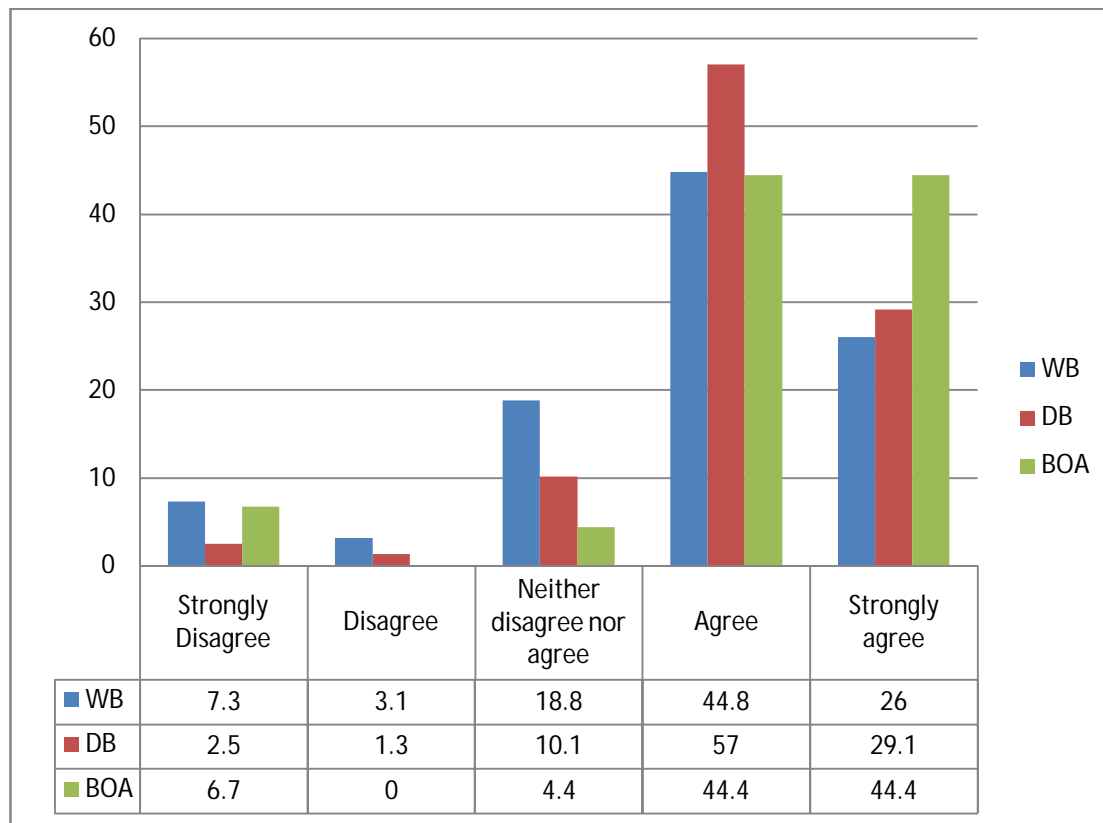
One-Sample Test						
	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
The bank helps me to solve difficulties, so I am responsible to repay their kindness.	27.203	44	.000	4.200	3.89	4.51
The bank keeps its promises.	27.290	44	.000	4.156	3.85	4.46
The bank and you work for mutual benefit.	29.723	44	.000	4.267	3.98	4.56
The bank and you are interdependent.	30.965	44	.000	4.467	4.18	4.76

Source: Own Survey Data, 2013

As per the t-test result for BOA, all reciprocity dimensions are statistically significant at 95% confidence interval and their *P value* is less than 0.05. Considering the individual reciprocity dimensions, the bank and you are interdependent has the highest t-value of 30.965, the bank and you work for mutual benefit has the next t-value of 29.723, followed by the bank keeps its promises (27.290). However, the bank helps me to solve difficulties, so I am responsible to repay their kindness has the least t-value of 27.203. This shows that, all reciprocity variables are significant and their variation from the population mean is statistically significant.

4.6.2.1. Customers' attitude on – “the bank helps me to solve difficulties, so I am responsible to repay their kindness.”

Figure 4.2: Summary of customer's perception on the bank helps me to solve difficulties, so I am responsible to repay their kindness.



Source: Own Survey Data, 2013

A question ‘the bank helps me to solve difficulties, so I am responsible to repay their kindness’ was asked for sample respondents of WB, DB and BOA so as to measure reciprocity level of each bank. From figure 4.2 we can observe that more than 88% of BOA respondents admit the existence of mutual help among each other. Moreover, around 5% and 7% of the respondents were found to be neutral and strongly agree, respectively, on the provision of help by their bank at period of difficulty. Considering DB, majority of the respondents were found to be agreed on their mutual help with the bank (86.1%), the rest 10.1% of the respondents are neither agree nor disagree while 3.8% of them show their agreement with the statement. Similar result also found for WB as around 71%, 19% and 10% are agreed, neutral and disagree with the statement, respectively. This shows that the existence of the sample respondents and their banks are dependent on each other.

4.6.2.2. Customers' attitude on – “the bank keeps its promises.”

Table 4.22: Summary of customer's perception on the bank keeps its promises.

Q9: The bank keeps its promises.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	7	7.3	2	2.5	2	4.4
Disagree	7	7.3	2	2.5	2	4.4
Neither disagree nor agree	15	15.6	7	8.9	2	4.4
Agree	44	45.8	44	55.7	20	44.5
Strongly agree	23	24.0	24	30.4	19	42.3
Total	96	100	79	100	45	100

Source: Own Survey Data, 2013

To know whether the selected banks are keeping their promises or not a question was asked to sample respondents of banks mentioned in this study. For WB, equal proportion (7.3% each) of the respondents disagree and strongly disagree with the statement above while 15.6%, 45.8% and 24% of the respondents are neutral, agree and strongly agree, respectively. On the other hand, around 86% of the respondents of Dashen bank believed that the bank keeps its promises while around 9% of them were found to be neutral in their perception of the banks' promise keeping status. 5% of the sample respondents, however, saying the bank doesn't keep its promise. In relation to the above discussion majority of the sample respondents (86.8%) of BOA believe that their bank keep its promises while 4.4% neither disagree nor agree. However, 8.8% disagree with the statement.

4.6.2.3. Customers' attitude on – “the bank and you work for mutual benefit.”

Table 4.23: Summary of customer's perception on the bank and you work for mutual benefit.

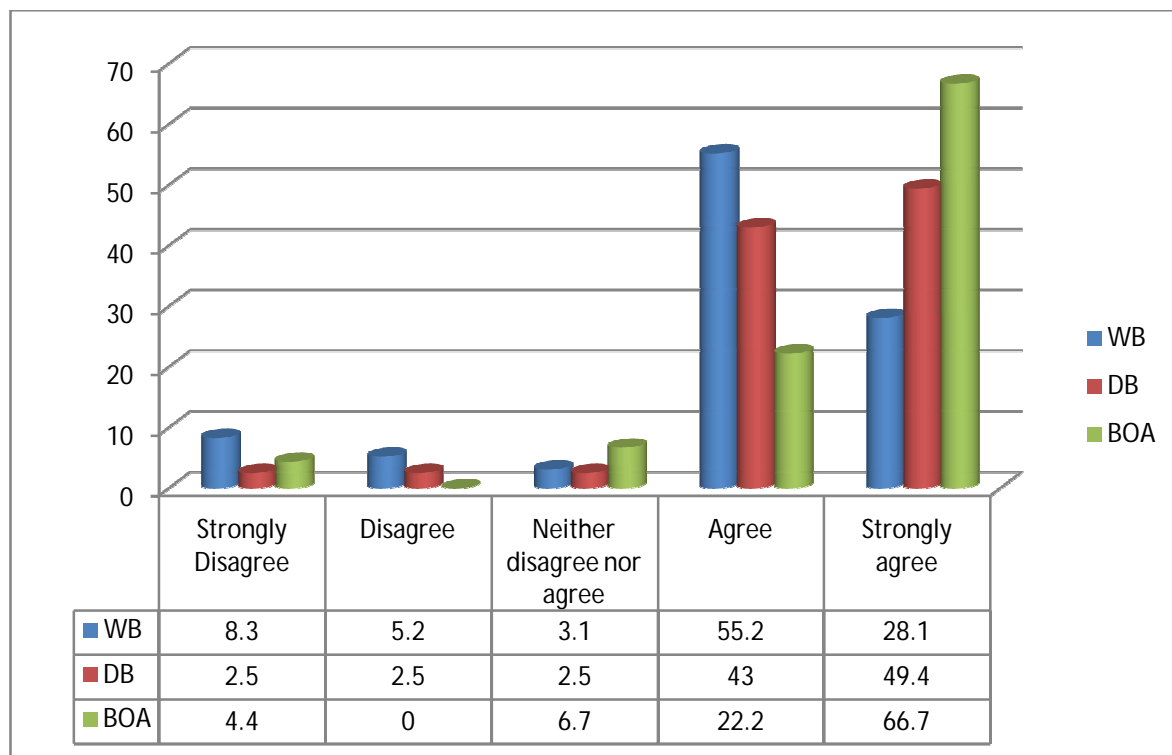
Q10: The bank and you work for mutual benefit.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	5	5.2	2	2.5	2	4.4
Disagree	3	3.1	1	1.3	0	0.00
Neither disagree nor agree	2	2.1	0	0.00	4	8.9
Agree	51	53.1	37	46.8	17	37.8
Strongly agree	35	36.5	39	49.4	22	48.9
Total	96	100	79	100	45	100

Source: Own Survey Data, 2013

Considering the feeling of respondents on their work for their mutual benefit, 4.4%, and 8.9% of BOA customers replied as strongly disagree and neither agrees nor disagrees, respectively. 86.7% of the customers, however, agree and strongly agree with their mutual work. The same result is also seen for WB, in which majority of the respondents (89.6%) perceive the existence of mutual benefit between them and their bank, 2.1% neutral and 8.3% show their disagreement for the statement. The data analysis also exhibits similar to the other banks in which large proportion of sample respondents (96.2%) agree and strongly agree on the work of their bank for mutual benefit. Although customers of all banks perceive that their banks were better in working for mutual benefits, DB is better followed by WB and BOA, respectively.

4.6.2.4. Customers' attitude on – “the bank and you are interdependent.”

Figure 4.3: Summary of customer's perception on the bank and you are interdependent.



Source: Own Survey Data, 2013

The last measure variables of reciprocity were helping to know the interdependence between the bank and their customers. Figure 4.3 shows that, about 13.5% of the respondents of WB argued against the interdependent between the bank and the sample respondents; whereas 3.1% neither agree nor disagree. 83.3% of them, however, believe that the two parties are interdependent. On

the other hand, majorly of the respondents of Dashen Bank (92.4%) agree with the existence of interdependence with the bank. Moreover, about 2.5% of the respondents are neutral and 5% of respondents don't admit their interdependence with their bank. Talking about the same issue, among sample respondents of BOA, 4.4% disagree, 6.7% neither agrees nor disagree and 88.9% believe they are interdependent with the bank. From this discussion, their interdependence helps the bank can able to consolidate the marketing performance of the banks and building harmonious relationship among them.

4.6.3. Empathy

This assessment was done to appraise how customers perceive the selected private banks are empathic towards them. Empathy (including access, communication, understanding the customer) – is caring and individualized attention that the firm provides to its customers (Kheng et al., 2010). If the customers feel well treated and assured of good relationship, they will remain loyal. Empathy, a key component of emotional intelligence, is as essential for harmonious and productive relationships in the workplace as much as in personal life.

Table 4.24: One sample T- test on empathy for Wegagen bank

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Employees of the bank understand my feelings.	35.974	95	.000	3.896	3.68	4.11
The bank gives individual attention to its customers.	36.730	95	.000	3.833	3.63	4.04
The bank shows a sincere interest in solving your problem.	40.335	95	.000	3.958	3.76	4.15
Employees of the bank are never too busy to respond to customers requests.	40.169	95	.000	3.854	3.66	4.04
The bank has guidance signs indicating as to which counters are offering which services.	33.508	95	.000	3.729	3.51	3.95
The working hours of the bank are flexible and convenient to me.	32.268	95	.000	3.740	3.51	3.97

Source: Own Survey Data, 2013

A t-test is conducted to elaborate further discussion for Wegagen bank. The t-test results of empathy factors are statistically significant at 95% confidence interval. According to the test result, the bank shows a sincere interest in solving your problem has the highest t-value of 40.335; employees of the bank are never too busy to respond to customers requests has a t-test result of 40.169, the bank gives individual attention to its customers has test result of 36.730, employees of the bank understand my feelings has t-test result of 35.974, the bank has guidance signs indicating as to which counters are offering which services has also a t-test result of 33.508 and the working hours of the bank are flexible and convenient to me has registered the least t-test result of 32.268. Once again this shows that empathetic level of WB with its customers is good in all items.

Table 4.25: One sample T- test on empathy for Dashen bank

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Employees of the bank understand my feelings.	46.402	78	.000	4.127	3.95	4.30
The bank gives individual attention to its customers.	33.304	78	.000	3.924	3.69	4.16
The bank shows a sincere interest in solving your problem.	43.587	78	.000	4.038	3.85	4.22
Employees of the bank are never too busy to respond to customers requests.	33.735	78	.000	3.848	3.62	4.08
The bank has guidance signs indicating as to which counters are offering which services.	44.436	78	.000	4.139	3.95	4.32
The working hours of the bank are flexible and convenient to me.	31.033	78	.000	3.949	3.70	4.20

Source: Own Survey Data, 2013

Statistically, all empathy dimensions are more significant and the variation among their value is relatively less. Thus, employees of the bank understand my feelings has the highest t-value of 46.402, the bank has guidance signs indicating as to which counters are offering which services has the next t-value of 44.436, followed by the bank shows a sincere interest in solving your problem 43.587, employees of the bank are never too busy to respond to customers requests has t-value of 33.735, the bank gives individual attention to its customers has also t-value of 33.304 and the working hours of the bank are flexible and convenient to me has registered the least t-test value of 31.033. In general, though it needs more effort to reach at high level of empathy, DB is in a good position with regard to empathic relationship with its customers.

Table 4.26: One sample T- test on empathy for Bank of Abyssinia

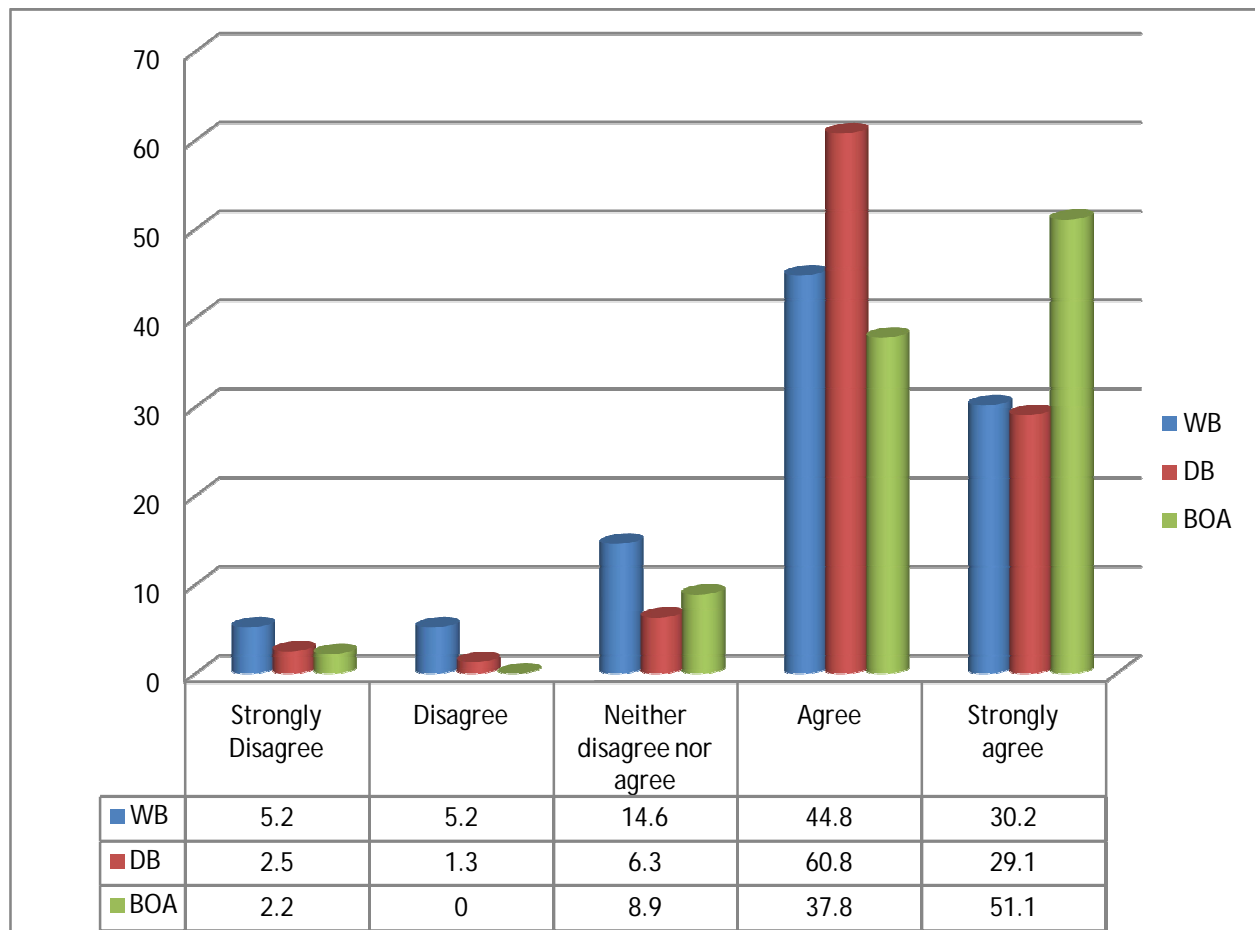
	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Employees of the bank understand my feelings.	35.203	44	.000	4.356	4.11	4.60
The bank gives individual attention to its customers.	29.183	44	.000	4.178	3.89	4.47
The bank shows a sincere interest in solving your problem.	31.343	44	.000	4.244	3.97	4.52
Employees of the bank are never too busy to respond to customers requests.	29.020	44	.000	4.267	3.97	4.56
The bank has guidance signs indicating as to which counters are offering which services.	28.563	44	.000	4.156	3.86	4.45
The working hours of the bank are flexible and convenient to me.	27.768	44	.000	4.222	3.92	4.53

Source: Own Survey Data, 2013

To elaborate the significance level, one sample T – test for BOA has been also conducted and presented in table 4.26. The test results for all items of empathy are highly significant at 95% confidence level. From the t-test results, whether employees of the bank understand customers feeling or not and the sincere interest of the bank to solve customers problem have the highest t-values of 35.203 and 31.343 respectively, followed by the bank gives individual attention to its customers has a t- test result of 29.183, employees of the bank are never too busy to respond to customers requests has t- test result of 29.020, the bank has guidance signs indicating as to which counters are offering which services shows a t-test result of 28.563, and the working hours of the bank are flexible and convenient to me has the least t-test result of 27.768. The two tailed alpha level or level of significance (Sig.) for all empathy variables has 0.000 values. Therefore, because this value is less than the .05 alpha levels, all empathic variables of BOA are highly significance for further analysis.

4.6.3.1. Customers' attitude on – “employees of the bank understands my feelings.”

Figure 4.4: Summary of customer's perception on Employees of the bank understands my feelings.



Source: Own survey data, 2013

A question is also asked to sample respondents about their perception of bank employees in understanding their feelings. The table and graph above clearly show the analysis results. For WB, equal proportion, 5.2% of the respondents disagree and strongly disagree with the statement above while 14.6%, 44.8% and 30.2% of the respondents are neutral, agree and strongly agree, respectively. On the other hand, 89.9% of the respondents of Dashen bank believed that employees understand their feelings while 6.3% of them were neither disagree nor agree. 3.8% of the sample respondents, however, saying employees of the bank do not understand their feelings properly. In relation to the above discussion majority of the sample respondents (88.9%) of BOA believe that employees of the bank understand their feeling properly while 8.9% neutral. However, 2.2% of sample respondents strongly disagree with the aforementioned statement.

4.6.3.2. Customers’ attitude on – “the bank gives individual attention to its customers.”

Table 4.27: Summary of customer’s perception on the bank gives individual attention to its customers.

Q13: The bank gives individual attention to its customers.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	5	5.2	4	5.1	2	4.5
Disagree	4	4.2	4	5.1	0	0.0
Neither disagree nor agree	17	17.7	10	12.6	5	11.1
Agree	46	47.9	37	46.8	19	42.2
Strongly agree	24	25.0	24	30.4	19	42.2
Total	96	100	79	100	45	100

Source: Own survey data, 2013

The banks ability of giving individual attention to their customers may also be used as a means of maintaining strong bond between the two parties. As we can observe from the above table, 5(5.2%), 4(4.2%), 17(17.7%), 46(47.9%) and 24(25%) of respondents of WB strongly disagree, disagree, neutral, agree and strongly agree with the statement “Does the bank gives individual attention to you”, respectively. On the other hand, 4(5.1%) each strongly disagree and disagree with the above statement whereas; 10(12.6%) of the sample respondents are neutral and 61(77.2%) of the respondents perceive that the bank gives individual attention to its customers. Considering the sample respondents of BOA 38(84.4%), 5(11.1%) of sample respondents said neither agree nor disagree whereas the remaining 2(4.5%) strongly disagree with the statement.

Although large number of sample respondents of the three banks perceived that the banks work on individual bases, significant number of respondents, however, is found to be neutral regarding the statement above.

4.6.3.3. Customers’ attitude on – “the bank shows a sincere interest in solving your problem.”

Table 4.28: Summary of customer’s perception on the bank shows a sincere interest in solving your problem.

Q14: The bank shows a sincere interest in solving your problem.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	3	3.1	2	2.5	2	4.4
Disagree	4	4.2	2	2.5	0	0.0
Neither disagree nor agree	16	16.7	7	8.9	2	4.4
Agree	44	45.8	48	60.8	22	48.9
Strongly agree	29	30.2	20	25.3	19	42.3
Total	96	100	79	100	45	100

Source: Own survey data, 2013

Table 4.28 shows that the customers observation of the banks in solving their problems if any. As clearly shown from the table 7.3% of WB respondents don’t believe the bank solves their problem while 16.7% neither agree nor disagree. Large proportions of respondents (76%), however, do agree and strongly agree that the bank is in their side when they encounter problems. Looking through the analysis results of DB, 5% of strongly disagree and disagree while 8.9% were found to be neutral and 86.1% were agreed. Considering BOA, 4.4% strongly disagree, 4.4% neutral and remaining 91.2% agree with ‘the bank shows sincere interest in solving your problem’ statement.

4.6.3.4. Customers’ attitude on – “employees of the bank are never too busy to respond to customers requests.”

Table 4.29: Summary of customer’s perception on employees of the bank is never too busy to respond to customers requests.

Q15: Employees of the bank are never too busy to respond to customers requests.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	1	1.0	5	6.4	2	4.5
Disagree	10	10.4	2	2.5	0	0.0
Neither disagree nor agree	14	14.6	11	13.9	5	11.1
Agree	48	50.0	43	54.4	15	33.3
Strongly agree	23	24.0	18	22.8	23	51.1
Total	96	100	79	100	45	100

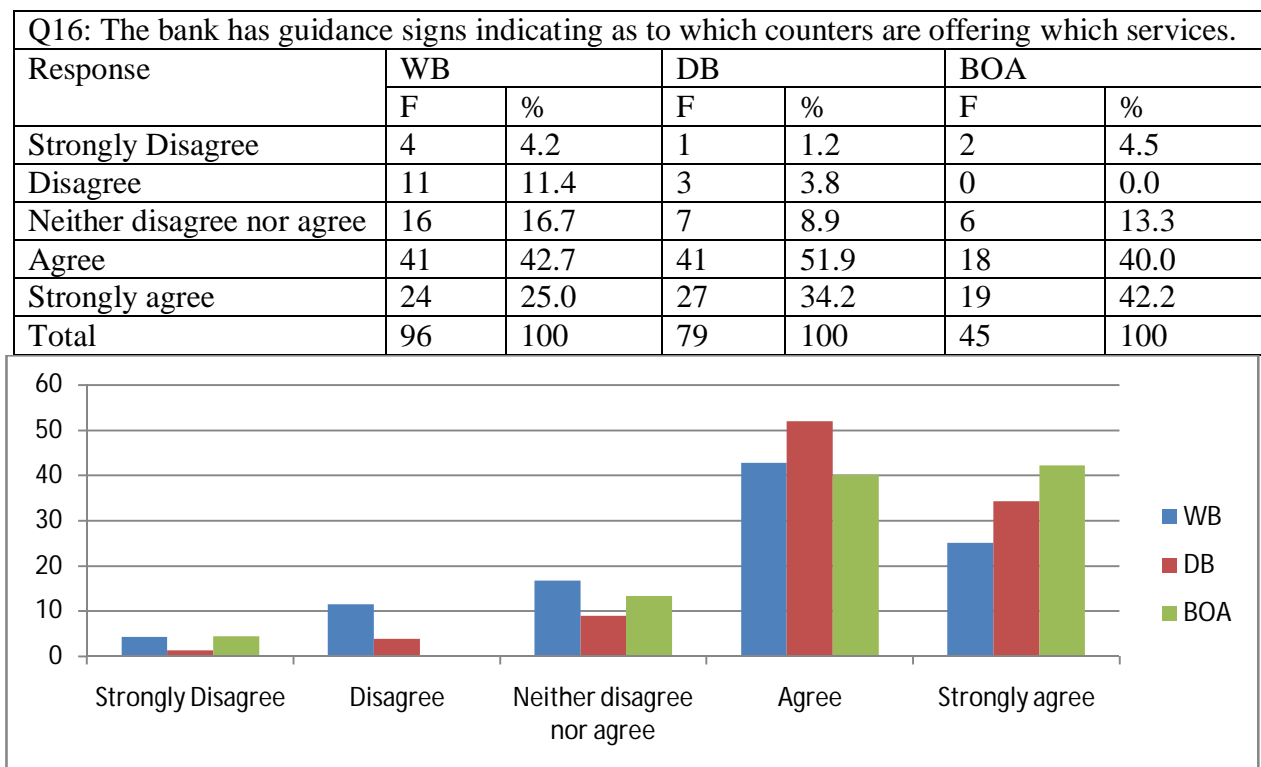
Source: Own survey data, 2013

Among the total respondents of the WB, 74 percent judge goodly about the employee's courage to respond customers request while 14.6 percent neither agree nor disagree. However, 11.4% of the sample respondents consider the employees of the bank gets busy while customers need bank service. With regard to DB, 77.2% of respondents agree and/ or strongly agree and 13.9 percent of the total samples respondents are abstain. 8.9 percent of them disagree and/ or strongly disagree with the statement 'employees of the bank are never too busy to respond to customer's requests'. On the other hand 84.4 percent of BOA respondents agree with the statement above while 11.1 percent and 4.5 percent of sample respondents are neither agree nor disagree and strongly disagree, respectively.

The data indicates that most respondents of the selected banks agree with the employees support to respond their requests. However, some respondents reply that employees are not responding our requests properly while other respondents are neutral.

4.6.3.5. Customers' attitude on – “the bank has guidance signs indicating as to which counters are offering which services.”

Table 4.30: Summary of customer's perception on the bank has guidance signs indicating as to which counters are offering which services.



Source: Own survey data, 2013

Table 4.30 indicated that, 4.2% and 11.4% of the sample respondents strongly disagree and disagree, respectively, for WB in responding to the question “Does the bank has guidance signs indicating as to which counters are offering which services?” and about 16.7% of the respondents were also found to be neutral. Majority of sample respondents, however, showed their agreement with the statement above (42.7% of them agree and 25% of them strongly agree). Similarly, majority of the sample respondents of Dashen bank agree (51.9%) and strongly agree (34.2%) while only 8.9% of them neither disagree nor agree. The remaining 3.8% and 1.2% disagree and strongly disagree, respectively, in response to the provision of guidance by their bank. Once can also arrive with similar description seeing the analysis result of BOA in which 4.5% of the respondents strongly disagreed, 13.3% of them are neither disagree nor agree, 40% of the respondents agree and 42.2% of them strongly agree. Thus it is possible to say that the three banks are in a position to provide guidance to their customers and this practice of banks also recognized by their respective customers.

4.6.3.6. Customers’ attitude on – “the working hours of the bank are flexible and convenient to me.”

Table 4.31: Summary of customer’s perception on the working hours of the bank is flexible and convenient to me.

Q17: The working hours of the bank are flexible and convenient to me.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	5	5.2	7	8.9	2	4.4
Disagree	12	12.5	2	2.5	0	0.0
Neither disagree nor agree	11	11.5	4	5.1	7	15.6
Agree	43	44.8	41	51.9	13	28.9
Strongly agree	25	26.0	25	31.6	23	51.1
Total	96	100	79	100	45	100

Source: Own survey data, 2013

The researcher incorporates the convenience of the working hours of the banks to customers. Thus a question “Does the working hours of the bank are flexible and convenient to you?” is asked to the sample respondents. Description of the responses is presented in table 4.31. As we can observe from table, 5(5.2%), 12(12.5%), 11(11.5%), 43(44.8%) and 25(26%) of the sample respondents strongly disagree, disagree, neutral, agree and strongly agree, respectively with the question, considering Wegagen Bank as a point of analysis. Considering Dashen bank, about 5.1% of the respondents are neutral whereas 51.9% of the sample respondents agree and 31.6%

strongly agree. The remaining 11.4% of respondents, however, don't agree with the statement. On the other hand, majorities of the respondents of Bank of Abyssinia (80%) fill better on the flexibility and convenient of the working hour of the bank. Small proportion (4.4%) of them fills on the contrary. The rest 15.6% of sample respondents were neither disagree nor agree with the statement above. Comparing the three banks on the above variable, the working hour of DB is more convenient to its customers and followed by BOA and WB, respectively.

4.6.4. Bonding

Bonding is defined as the dimension of a business relationship that results in two parties (the customer and the supplier) acting in a unified manner toward a desired goal (Taleghani et al., 2011). Thus, bonding helps for the development of key relationships with customers. In addition to the above fact it is also accepted that bonding would strengthen relationships and loyalty. Bonding is essential element to establish long lasting relationship with customers.

Table 4.32: One sample T- test on bonding for Wegagen bank

	Test Value = 0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
The bank keeps in touch constantly with its customers.	38.325	95	.000	4.031	3.82	4.24
The bank tries very hard to establish a long term relationship with its customers.	38.051	95	.000	4.073	3.86	4.29
The bank works in close cooperation with its customers.	39.924	95	.000	4.167	3.96	4.37
Employees of the bank know you very well.	35.543	95	.000	3.906	3.69	4.12
Your achievement flourish on the solid relationship you have with the bank.	33.329	95	.000	3.854	3.62	4.08

Source: Own survey data, 2013

The other variable on which a t-test was conducted to verify its significance level is bonding. The test results of all items of bonding are statistically significant and the variability among the values is less. From the above table, it is evident that, the bank works in close cooperation with its customers has the highest t-value of 39.924, the bank keeps in touch constantly with its customers has registered the next highest t-test result of 38.325, the bank tries very hard to establish a long term relationship with its customers has 38.051 t-test value, followed by employees of the bank know you very well and your achievement flourish on the solid relationship you have with the bank with having a t-test value 35.543 and 33.329, respectively. This indicates that WB has made considerable effort in building bonding relationship with its customers.

Table 4.33: One sample T- test on bonding for Dashen bank

	Test Value = 0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
The bank keeps in touch constantly with its customers.	45.478	78	.000	4.127	3.95	4.31
The bank tries very hard to establish a long term relationship with its customers.	55.659	78	.000	4.215	4.06	4.37
The bank works in close cooperation with its customers.	44.389	78	.000	4.228	4.04	4.42
Employees of the bank know you very well.	43.725	78	.000	4.076	3.89	4.26
Your achievement flourish on the solid relationship you have with the bank.	47.568	78	.000	4.177	4.00	4.35

Source: Own survey data, 2013

The t-test was carried out to prove the bonding significance level for Dashen bank as well. The statistical test results for bonding items of the bank are significant at 95% confidence interval. The t-test result shows that the bank tries very hard to establish a long term relationship with its

customers, your achievement flourish on the solid relationship you have with the bank, the bank keeps in touch constantly with its customers has a t-test result of 55.659, 47.568 and 45.478, respectively. However, the bank works in close cooperation with its customers and employees of the bank know you very well are registered least t-test result of 44.389 and 43.725, respectively. This implies that the bank has relatively done well in establishing long term relationship with its existing customers. These may have positive effect on customer retention.

Table 4.34: One sample T- test on bonding for Bank of Abyssinia

	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
The bank keeps in touch constantly with its customers.	27.357	44	.000	4.133	3.83	4.44
The bank tries very hard to establish a long term relationship with its customers.	34.101	44	.000	4.311	4.06	4.57
The bank works in close cooperation with its customers.	30.479	44	.000	4.267	3.98	4.55
Employees of the bank know you very well.	40.590	44	.000	4.200	3.99	4.41
Your achievement flourish on the solid relationship you have with the bank.	26.714	44	.000	4.156	3.84	4.47

A t-test, at 95% confidence interval, has been also conducted to measure the significance level of bonding for BOA. The statistical test results for items of bonding relationship from customers' perspective are significant and the variability among the values is less. From the table it is evident that employees of the bank know you very well has the highest test result of 40.590, the bank tries very hard to establish a long term relationship with its customers (34.101), the bank works in close cooperation with its customers (30.479), followed by the bank keeps in touch

constantly with its customers (27.357) and your achievement flourish on the solid relationship you have with the bank has the least t- value of 26.714. This implies that, employees of BOA know their customers very well.

4.6.4.1. Customers' attitude on –“the bank keeps in touch constantly with its customers.”

Table 4.35: Summary of customer's perception on the bank keeps in touch constantly with its customers.

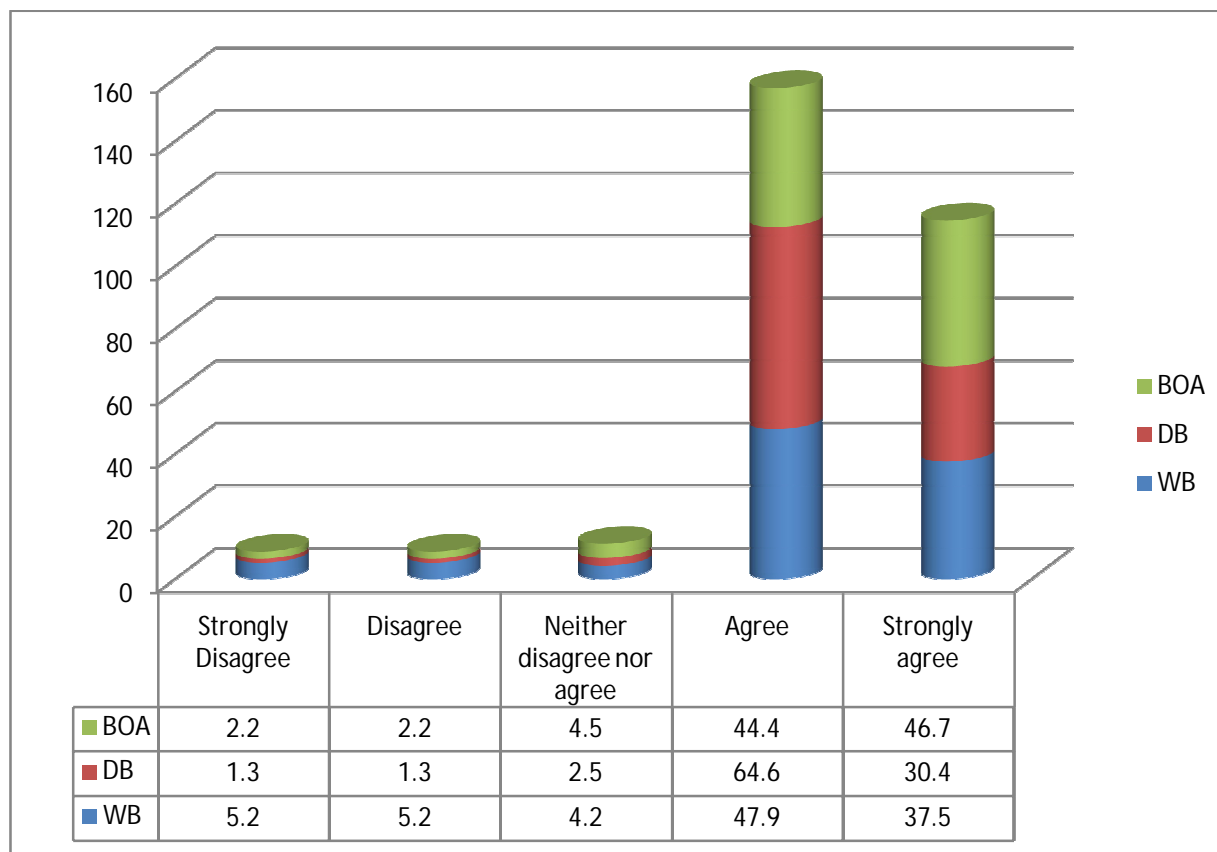
Q18: The bank keeps in touch constantly with its customers.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	5	5.2	1	1.3	2	4.5
Disagree	5	5.2	3	3.8	1	2.2
Neither disagree nor agree	4	4.2	6	7.6	5	11.1
Agree	50	52.1	44	55.7	18	40.0
Strongly agree	32	33.3	25	31.6	19	42.2
Total	96	100	79	100	45	100

Source: Own survey data, 2013

Table 4.35 shows the perception of bank customers to the statement their banks ability of keep in touch constantly with them. In this regard, for WB, 10.4% disagree and strongly disagree, 4.2% neutral and 85.4% of the respondents agree and/or strongly agree. Considering DB respondents, 87.3% agree and/or strongly agree, 7.6% of the respondents remained neither agree nor disagree and 5.1% of them disagree about the statement. Furthermore, 6.7% of Bank of Abyssinia respondents are disagree and/or strongly agree, 11.1% of the respondents are neither agree nor disagree and 82.2% of them perceive that the bank keeps in touch constantly with them.

4.6.4.2. Customers' attitude on – “the bank tries very hard to establish a long term relationship with its customers.”

Figure 4.5: Summary of customer's perception on the bank tries very hard to establish a long term relationship with its customers.



Source: Own survey data, 2013

Figure 4.5 shows, 10.4% of the respondents vary from the statement the bank tries very hard to establish a long term relationship with its customers in Wegagen bank; in reality, 4.2% of the respondents are neutral whereas 85.4% of the respondents agree with the statement. Conversely, large number of the respondents of Bank of Abyssinia (91.1%) of them agree, 4.5% of the respondents are neutral with the statement and the remaining of the respondents (4.4%) of them are disagreeing with the statement indicated in the above figure (4.5). In contrast, from Dashen bank 2.6% of the respondents disagrees with the bank tries very hard to establish a long term relationship with its customers. About 2.5% of the respondents neither agreed nor disagreed with the statement but, 95% of them agree with the statement. Therefore, considering the above figure the three banks are working to establish a long term relationship with their customers.

4.6.4.3. Customers' attitude on – “the bank works in close cooperation with its customers.”

Table 4.36: Summary of customer's perception on the bank works in close cooperation with its customers.

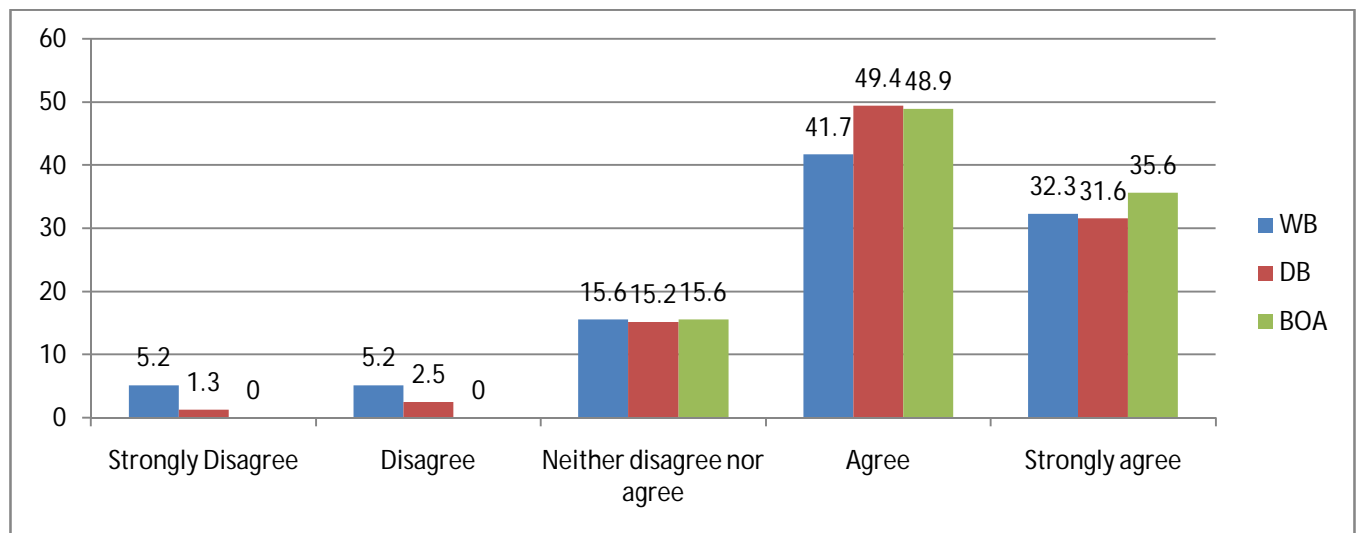
Q20: The bank works in close cooperation with its customers.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	4	4.2	2	2.5	2	4.4
Disagree	3	3.1	2	2.5	0	0.0
Neither disagree nor agree	10	10.4	3	3.8	3	6.7
Agree	35	36.5	41	51.9	19	42.2
Strongly agree	44	45.8	31	39.3	21	46.7
Total	96	100	79	100	45	100

Source: Own survey data, 2013

Considering the close cooperation work of the bank with their customers, 4.2%, 3.1% and 10.4% of WB customers replied as strongly disagree, disagree and neither disagree nor agree, respectively. 82.3% of the customers, however, agree and strongly agree with close cooperation work of the bank. The same result is also seen for DB, in which majority of the respondents (91.2%) perceive the close cooperation between them and their bank, 3.8% neutral and 5% show their disagreement for the statement. The data analysis also exhibits similar to the other banks in which large proportion of sample respondents (88.9%) agree and strongly agree on the close cooperation work of their bank. However, 6.7% neutral and 4.4% of them strongly disagree with the statement. Although customers of all banks perceive that their banks were better in close cooperation work, however, DB is better followed by BOA and WB, respectively.

4.6.4.4. Customers' attitude on – “employees of the bank knows you very well.”

Figure 4.6: Summary of customer's perception on employees of the bank knows you very well.



Source: Own survey data, 2013

Figure 4.6 shows, 74% of the respondents have the same opinion with the statement about employees of the bank knows them very well in Wegagen bank. However, about 15.6% of the respondents are neutral whereas 10.4% of the sample respondents differ from the above statement. On the other hand, large number of respondents of Dashen bank (81%) agrees and 3.8% are opposing the above statement whereas 15.2% of the respondents are neutral with the statement.

From Bank of Abyssinia perspective figure 4.6 disclosed that, 15.6% of the respondents neither disagree nor agree about the above statement. However, 48.9% of the respondents agree and 35.6% strongly agree with the statement about employees of the bank knows them very well.

In conclusion, it's possible to observe that employees of the selected banks know their customers very well. Thus, an employee of BOA knows their customers better than employees of DB. However, employees of WB do not know their customers very well as employees of BOA and DB.

4.6.4.5. Customers' attitude on – “Your achievement flourish on the solid relationship you have with the bank.”

Table 4.37: Summary of customer's perception on your achievement flourish on the solid relationship you have with the bank.

Q22: Your achievement flourish on the solid relationship you have with the bank.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	7	7.3	1	1.3	3	6.7
Disagree	4	4.2	1	1.3	0	0.0
Neither disagree nor agree	15	15.6	9	11.4	3	6.7
Agree	40	41.7	40	50.6	20	44.4
Strongly agree	30	31.2	28	35.4	19	42.2
Total	96	100	79	100	45	100

Source: Own survey data, 2013

A question was also asked to know whether their achievement flourishes on the solid relationship that they have with the bank or not for respondents of Wegagen bank. The description presented on table 4.37 tells us this fact. Considering WB alone majority (72.9%) of the respondents were believed that their achievement has direct relationship that were formed with the bank. The rest 15.6% of the respondents neither disagree nor agree while 11.5% of them disagree with the statement. Similar result also found for DB and BOA in which both banks customers are believed that their achievement has direct relationship that were formed with their banks. BOA, however, perceived as their achievement comes from the solid relationship with their bank, followed by DB and WB.

4.6.5. Responsiveness

Responsiveness has to do with the degree with which the selected banks were able to respond to the needs and wants of customers. For a firm to be responsive, it must gain deeper understanding and profiling of customer behavior, real-time customer information and loyalty, and management at Point of Service. However, Taiwo et. al. (2011) described that responsiveness is the degree to which customers perceive service providers' readiness to assist them promptly. Therefore, showing sincerity and willingness to help customers are some of the key issues in responsiveness. Again what was tested in respect of responsiveness included devoted time to customers and efficient services.

Table 4.38: One sample T- test on responsiveness for Wegagen bank

	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
The bank provides prompt service to its customers.	37.103	95	.000	4.000	3.79	4.21
Employees of the bank are willing to help customers.	39.460	95	.000	4.094	3.89	4.30
Employees of the bank devote time to reply to any of your questions.	36.229	95	.000	3.844	3.63	4.05
The bank arranges special care to special customers.	30.090	95	.000	3.583	3.35	3.82
The behavior of the employees inspires confidence in customers.	37.301	95	.000	3.938	3.73	4.15
Employees give genuine and detailed information regarding to any transaction of the bank.	36.666	95	.000	3.896	3.68	4.11

Source: Own survey data, 2013

The test results for all items of responsiveness of WB were also found to be highly significant at 95% confidence level. From the t-test results, employees of the bank are willing to help customers has the highest t-value of 39.460, the behavior of the employees inspires confidence in customers has the second highest t-value of 37.301; the bank provides prompt service to its customers registered 37.103 t-test valve, employees give genuine and detailed information regarding to any transaction of the bank has 36.666, followed by employees of the bank devote time to reply to any of your questions with a t-test value 36.229 and the bank arranges special care to special customers has a least t-test value of 30.090. This shows that the special care arrangement of Wegagen bank needs further commitment.

Table 4.39: One sample T- test on responsiveness for Dashen bank

	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
The bank provides prompt service to its customers.	50.376	78	.000	4.342	4.17	4.51
Employees of the bank are willing to help customers.	58.556	78	.000	4.354	4.21	4.50
Employees of the bank devote time to reply to any of your questions.	55.659	78	.000	4.215	4.06	4.37
The bank arranges special care to special customers.	42.744	78	.000	4.089	3.90	4.28
The behavior of the employees inspires confidence in customers.	59.489	78	.000	4.278	4.14	4.42
Employees give genuine and detailed information regarding to any transaction of the bank.	48.361	78	.000	4.316	4.14	4.49

Source: Own survey data, 2013

A t-test at 95% confidence interval of the difference has been conducted to measure its significance level. Accordingly, DB has scored highest t-test value of 59.489 on the behavior of the employees inspires confidence in customers. The t- test result on employees of the bank are willing to help customers has the next highest t-value of 58.556, employees of the bank devote time to reply to any of your questions has a t-value of 55.659, the bank provides prompt service to its customers has a t-value 50.376, followed by employees give genuine and detailed information regarding to any transaction of the bank (a t-value 48.361), and the bank arranges special care to special customers has the least t-test value of 42.744. This again shows us that responsiveness level of DB with its customers lies in a good position.

Table 4.40: One sample T- test on responsiveness for Bank of Abyssinia

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
The bank provides prompt service to its customers.	27.173	44	.000	4.244	3.93	4.56
Employees of the bank are willing to help customers.	35.456	44	.000	4.444	4.19	4.70
Employees of the bank devote time to reply to any of your questions.	22.872	44	.000	4.044	3.69	4.40
The bank arranges special care to special customers.	28.430	44	.000	4.333	4.03	4.64
The behavior of the employees inspires confidence in customers.	30.488	44	.000	4.333	4.05	4.62
Employees give genuine and detailed information regarding to any transaction of the bank.	38.268	44	.000	4.489	4.25	4.73

Source: Own survey data, 2013

For BOA the test results of all responsiveness items are statistically significant (even at 99% confidence interval). From the above table, it is clearly shown that, employees give genuine and detailed information regarding to any transaction of the bank has the highest t-value of 38.268, employees of the bank are willing to help customers has registered the next highest t-test result of 35.456, the behavior of the employees inspires confidence in customers has 30.488 t-test value, the bank arranges special care to special customers has also 28.430 t-test value, followed by the bank provides prompt service to its customers and employees of the bank devote time to reply to any of your questions, with having a t-test value 27.173 and 22.872, respectively. This indicates that BOA has made considerable effort in providing genuine and detailed information regarding any transaction of the bank to its customers.

4.6.5.1. Customers’ attitude on – “the bank provides prompt service to its customers.”

Table 4.41: Summary of customer’s perception on the bank provides prompt service to its customers.

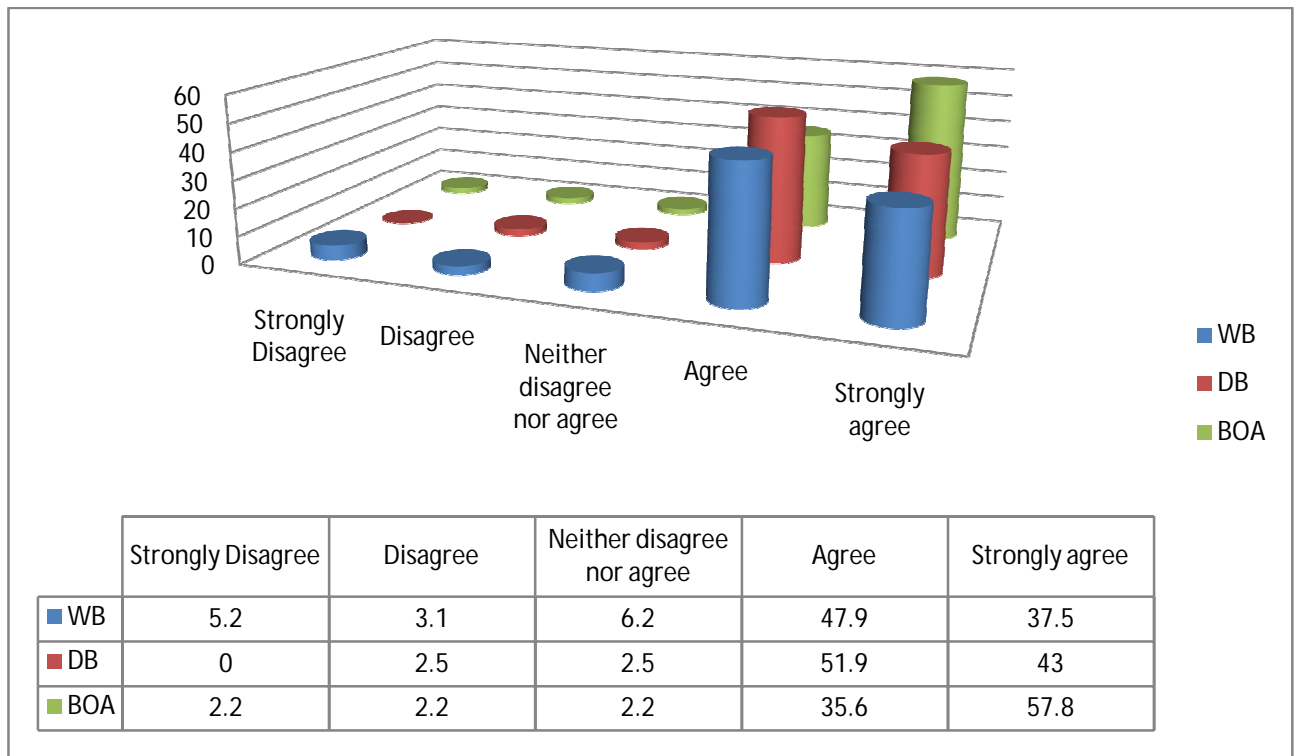
Q23: The bank provides prompt service to its customers.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	5	5.2	1	1.3	3	6.7
Disagree	6	6.3	2	2.5	0	0.0
Neither disagree nor agree	5	5.2	2	2.5	2	4.4
Agree	48	50.0	38	48.1	18	40.0
Strongly agree	32	33.3	36	45.6	22	48.9
Total	96	100	79	100	45	100

Source: Own survey data, 2013

As depicted in table 4.41, 11.5% of the respondents disagree with the statement about the bank provides prompt service to its customers in Wegagen bank; However, about 5.2% of the respondents are neutral whereas 83.3% of the respondents agree with the statement. On the other hand, almost all of the respondents (93.7%) of Dashen bank agree with the statement the bank provides prompt service to its customers. Conversely, about 2.5% the respondents are neutral and 3.8% disagree with the statement indicated in the above table (4.41). Moreover, on this issue Bank of Abyssinia 6.7% of the respondents strongly disagreed with about the bank provides prompt service to its customers. About 4.4% of the respondents are neither agreed nor disagreed with the statement whereas 88.9% of them agree with the statement. In conclusion, most of the banks provide prompt services through using different technologies to address the need of their customers. Dashen bank and Bank of Abyssinia are relatively similar in providing prompt service to their customers whereas Wegagen bank is lesser than the other two banks.

4.6.5.2. Customers' attitude on – “employees of the bank is willing to help customers.”

Figure 4.7: Summary of customer's perception on employees of the bank is willing to help customers.



Source: Own survey data, 2013

Regarding the question for employees of the bank figure 4.7 briefly described as follows, for Wegagen bank 5.2%, 3.1%, 6.2%, 47.9% and 37.5% of sample respondents replied as strongly disagree, disagree, neither disagree nor agree, agree and strongly agree with employees of the bank are willing to help customers, respectively. On the other hand, 2.2% of sample respondents each replied as strongly disagree, disagree and neither disagrees nor agrees with the statement. Whereas; 35.6% of them are agree however 57.8% of the respondents strongly agree with the above statement. However, in addition to the above statement, when we observe sample respondents of DB almost all that is 94.9% provide their consent on ‘employees of the bank are willing to help customers’. On the contrary, 2.5% of the Sample respondents became neither agree nor disagree whereas the remaining 2.5% disagree with the statement.

4.6.5.3. Customers’ attitude on – “employees of the bank devote time to reply to any of your questions.”

Table 4.42: Summary of customer’s perception on employees of the bank devotes time to reply to any of your questions.

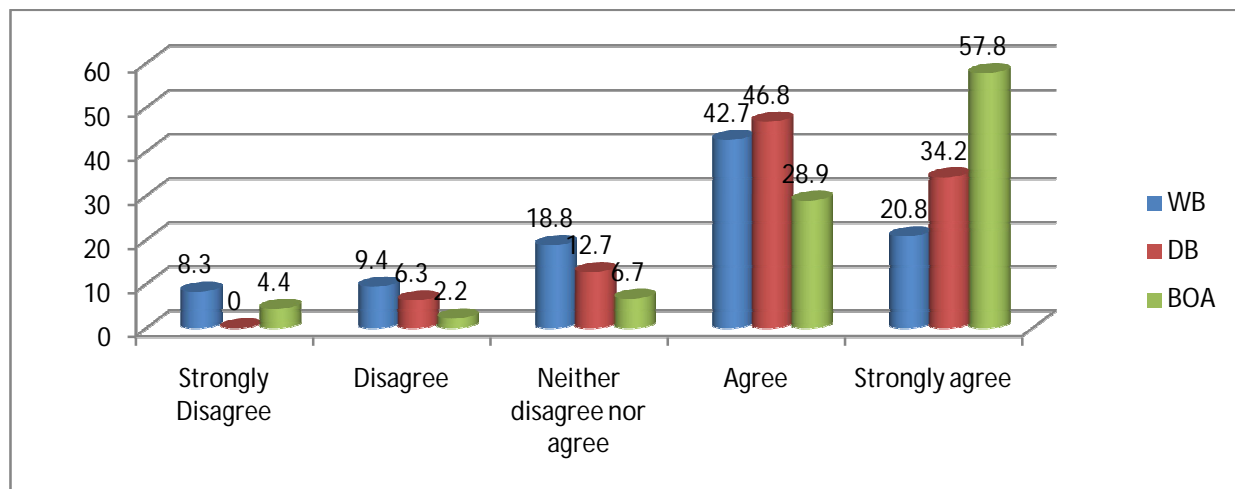
Q25: Employees of the bank devote time to reply to any of your questions.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	4	4.2	0	0.0	4	8.9
Disagree	7	7.3	1	1.3	0	0.0
Neither disagree nor agree	15	15.6	8	10.1	6	13.3
Agree	44	45.8	43	54.4	15	33.3
Strongly agree	26	27.1	27	34.2	20	44.5
Total	96	100	79	100	45	100

Source: Own survey data, 2013

Responsiveness is also measured by the time devoted by bank employees in answering the questions of customers. Considering the sample respondents of Wegagen bank, 72.9% of the respondents agree with the statement about employees of the bank devotes time to reply to any of their questions. However, about 15.6% of the respondents are neutral whereas 11.5% of the respondents are against the above statement. On the other hand, regarding respondents of Dashen bank, 88.6% of them agree and the remaining of the respondents, 10.1% are neutral and 1.3% disagrees with the statement. For Bank of Abyssinia, 8.9% of the respondents strongly disagree with the employees of the bank devotes time to reply to any of their questions. However, about 13.3% of the respondents are neither agreed nor disagreed with the statement whereas 77.8% of them agree with the statement.

4.6.5.4. Customers’ attitude on – “ the bank makes special care to special customers.”

Figure 4.8: Summary of customer’s perception on the bank makes special care to special customers.



Source: Own survey data, 2013

Considering the special care arrangement to special customers by the banks the feeling of respondents indicate that 6.3%, 12.7% of DB customers disagree and neither agrees nor disagrees, respectively. 81% of the customers, however, agree and strongly agree with the existence of special treatment. The same result is also seen for BOA, in which majority of the respondents (86.7%) perceive the existence of special care between them and their bank, 6.7% neutral and 6.6% show their disagreement for the statement. The data analysis also exhibits similar to the other banks in which large proportion of sample respondents (63.5%) agree and strongly agree, 18.8% neutral and 17.7% of them oppose to the special care arrangement of their bank. Although customers of all banks perceive that their banks provide special care to them, BOA is better followed by DB and WB, respectively.

4.6.5.5. Customers’ attitude on – “the behavior of the employees inspires confidence in customers.”

Table 4.43: Summary of customer’s perception on the behavior of the employees inspires confidence in customers.

Q27: The behavior of the employees inspires confidence in customers.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	5	5.2	0	0.0	2	4.4
Disagree	5	5.2	1	1.3	0	0.0
Neither disagree nor agree	9	9.4	5	6.3	3	6.7
Agree	49	51.0	44	55.7	16	35.6
Strongly agree	28	29.2	29	36.7	24	53.3
Total	96	100	79	100	45	100

Source: Own survey data, 2013

It is obvious that the behavior of employees of banks increases the confidence of customers and makes them loyal to their banks. In return building customer confidence on employees of the bank is crucial for their profitability. Table 4.43 shows this fact in which about 10.4% of the respondents of WB argued against the statement ‘behavior of employees inspires confidence to them’ whereas; about 80.2% of the respondents agree with it. In addition, 9.4% of the respondents are neutral. On the other hand, large proportion of the respondents of Dashen bank, (92.4%) agrees with the existence of good behavior among employees of their bank. Moreover, about 6.3% and 1.3% of the respondents are neutral and disagree with the statement, respectively. Considering Bank of Abyssinia, 4.4% of the respondents strongly disagree about the employee’s behavior and about 6.7% of the respondent neither agree nor disagree whereas 88.9% of them agree with the statement. Comparing the three banks on their customers perception about employee behavior, DB is doing better and followed by BOA then WB, respectively.

4.6.5.6. Customers’ attitude on – “employees give genuine and detailed information regarding to any transaction of the bank.”

Table 4.44: Summary of customer’s perception on - employees give genuine and detailed information regarding to any transactions of the bank.

Q28: Employees give genuine and detailed information regarding to any transaction of the bank.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	6	6.2	1	1.3	1	2.2
Disagree	4	4.2	1	1.3	0	0.0
Neither disagree nor agree	9	9.4	7	8.8	2	4.5
Agree	52	54.2	33	41.8	15	33.3
Strongly agree	25	26	37	46.8	27	60.0
Total	96	100	79	100	45	100

Source: Own survey data, 2013

Sample respondents of WB, DB and BOA were asked a question about employees of the bank gives genuine and detailed information regarding to any transactions. The description presented on table 4.44 tells us this fact. Considering WB majority of the respondents were found to be confident with the above statement (80.2%). The rest 9.4% of the respondents, however, found to be neutral regarding the aforementioned statement while 10.4 % of them show their disagreement with the statement. Similar result also found for DB and BOA in which both banks customers are confident enough on the genuine and detailed information of the bank. In this regard BOA has better score, followed by DB and WB.

4.6.6. Miscellaneous questions

To strength the CRM variables such as trust, reciprocity, empathy, bonding and responsiveness miscellaneous questions were also tested. All miscellaneous questions were measured by different response results, the least being strongly disagree and the highest being strongly agree. The one sample T-test for the selected banks was conducted at 95% confidence interval of the difference and the results for the three private banks were found to be significant. The T-test, table as well as figure results for Wegagen, Dashen and Bank of Abyssinia are presented here under.

Table 4.45: One sample T- test on miscellaneous questions for Wegagen bank

	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
What makes this bank different from its rivals is that it can make successful relationships with its customers.	36.908	95	.000	3.906	3.70	4.12
The bank welcomes complaints from customers.	37.234	95	.000	4.031	3.82	4.25
The bank takes customer feedback seriously and replies to you.	32.215	95	.000	3.771	3.54	4.00
I will recommend this bank to friends and family members.	34.915	95	.000	3.906	3.68	4.13
I find it difficult to switch to other banks because of what I get from this bank.	34.426	95	.000	3.802	3.58	4.02
The bank insists on error free records.	34.435	95	.000	3.729	3.51	3.94
I am confident of giving positive word of mouth testimonies to others about this bank.	37.184	95	.000	3.990	3.78	4.20
I intend using other products and services of the bank.	36.452	95	.000	3.854	3.64	4.06
I am very pleased with what the bank does for me .	37.004	95	.000	3.969	3.76	4.18
Overall, I am satisfied with the bank services.	37.169	95	.000	4.042	3.83	4.26

Source: Own survey data, 2013

The statistical test results for items of miscellaneous questions of WB are significant at 95% confidence interval and the variability among the values is less. The t-test result shows that the bank welcomes complaints from customers has the highest t-test value of 37.234 and the bank takes customer feedback seriously and replies to you has the least t-test value of 32.215. This implies that the bank has relatively

done well in satisfying its existing customers by accepting customer's complaint while it has less customer feedback reply.

Table 4.46: One sample T- test on miscellaneous questions for Dashen bank

	Test Value = 0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
What makes this bank different from its rivals is that it can make successful relationships with its customers.	55.906	78	.000	4.291	4.14	4.44
The bank welcomes complaints from customers.	52.032	78	.000	4.266	4.10	4.43
The bank takes customer feedback seriously and replies to you.	35.802	78	.000	3.975	3.75	4.20
I will recommend this bank to friends and family members.	45.417	78	.000	4.203	4.02	4.39
I find it difficult to switch to other banks because of what I get from this bank.	45.291	78	.000	4.139	3.96	4.32
The bank insists on error free records.	57.345	78	.000	4.304	4.15	4.45
I am confident of giving positive word of mouth testimonies to others about this bank.	51.696	78	.000	4.304	4.14	4.47
I intend using other products and services of the bank.	54.574	78	.000	4.278	4.12	4.43
I am very pleased with what the bank does for me .	52.541	78	.000	4.228	4.07	4.39
Overall, I am satisfied with the bank services.	51.696	78	.000	4.304	4.14	4.47

Source: Own survey data, 2013

To elaborate the significance level of miscellaneous questions, the researcher also conducted a t - test for DB. Referring the test results, they were found to be significant at 95% confidence interval.

The t-test result shows that, the bank insists on error free record has the highest t-test value of 57.345. On the other hand, the bank takes customer feedback seriously and reply to you has the least t-test value of 35.802. This implies that the bank has relatively done well in satisfying its existing customers by making error free records while like WB it has less customer feedback reply.

Table 4.47: One sample T- test on miscellaneous questions for Bank of Abyssinia

	Test Value = 0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
What makes this bank different from its rivals is that it can make successful relationships with its customers.	26.140	44	.000	4.178	3.86	4.50
The bank welcomes complaints from customers.	31.280	44	.000	4.333	4.05	4.61
The bank takes customer feedback seriously and replies to you.	41.907	44	.000	4.244	4.04	4.45
I will recommend this bank to friends and family members.	27.239	44	.000	4.178	3.87	4.49
I find it difficult to switch to other banks because of what I get from this bank.	29.116	44	.000	4.200	3.91	4.49
The bank insists on error free records.	27.798	44	.000	4.200	3.90	4.50
I am confident of giving positive word of mouth testimonies to others about this bank.	27.269	44	.000	4.333	4.01	4.65
I intend using other products and services of the bank.	41.430	44	.000	4.489	4.27	4.71
I am very pleased with what the bank does for me .	37.820	44	.000	4.400	4.17	4.63
Overall, I am satisfied with the bank services.	35.228	44	.000	4.378	4.13	4.63

Source: Own survey data, 2013

Finally, a t-test of miscellaneous questions for Bank of Abyssinia was conducted and the statistical test results are significant at 95% confidence interval. The t-test result for BOA shows that the bank takes customer feedback seriously and replies to you has scored highest t-test value of 41.907 and what makes this bank different from its rivals is that it can make successful relationships with its customers has the least t-test value of 26.140. This implies that the bank has relatively well in replying customer's feedback. This helps to retain its existing customers.

4.6.6.1. Customers' attitude on – “What makes this bank different from its rivals is that it can make successful relationships with its customers.”

Table 4.48: Summary of customer's perception on the special feature of their bank's from rivals in maintaining successful relationship with customers.

Q29: What makes this bank different from its rivals; is that it can make successful relationships with its customers.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	5	5.2	1	1.3	3	6.8
Disagree	5	5.2	0	0.0	1	2.2
Neither disagree nor agree	11	11.5	4	5.0	1	2.2
Agree	48	50.0	44	55.7	20	44.4
Strongly agree	27	28.1	30	38.0	20	44.4
Total	96	100	79	100	45	100

Source: Own survey data, 2013

Banks successful relationship with their customers makes them different from their rivals. Regarding to this idea a question was asked for sample respondents of WB, DB and BOA so as to measure their relationship with their customers. From table 4.48 we can observe that more than 78.1% of WB respondents are admit the existence of strong relationship between them and their bank. Moreover, 11.5% and around 10.4% of the respondents were found to be neutral, and deviate from the question, respectively. Considering DB, majority of the respondents were found to be agreed on their successful relationship (93.7%), the rest 5.0% of the respondents are neither agree nor disagree while 1.3% of them show their disagreement with the statement. Similar result also found for BOA as 88.8%, 2.2%, and 9% are agreed, neutral and disagree with the statement above, respectively.

4.6.6.2. Customers' attitude on – “the bank welcomes complaints from customers.”

Table 4.49: Summary of customer's perception on - The bank welcomes complaints from customers.

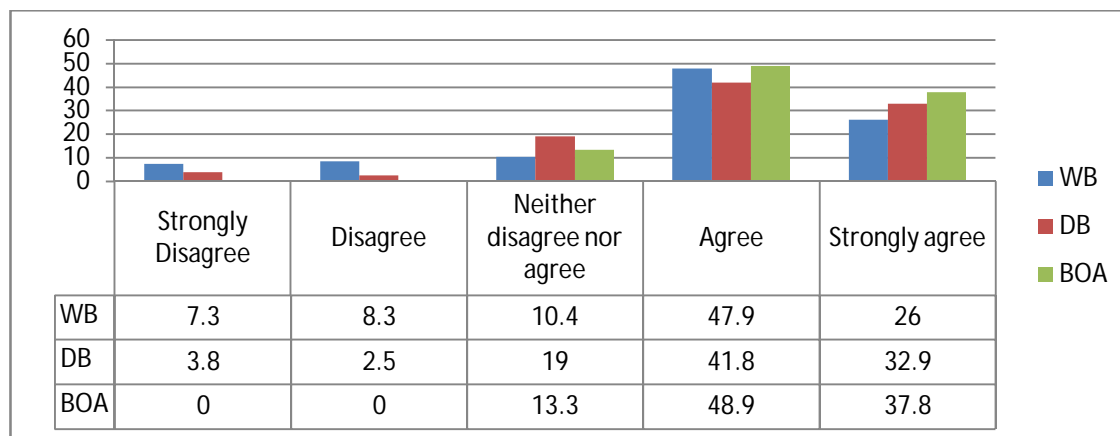
Q30: The bank welcomes complaints from customers.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	4	4.2	1	1.3	2	4.4
Disagree	7	7.3	0	0.0	0	0.0
Neither disagree nor agree	7	7.3	7	8.9	2	4.4
Agree	42	43.7	40	50.6	18	40.0
Strongly agree	36	37.5	31	39.2	23	51.2
Total	96	100	79	100	45	100

Source: Own survey data, 2013

In a business handling customer's complaint creates smooth relationship and it creates conducive working environment. Thus proper handling of customer's complaint is crucial. The description presented on table 4.49 tells us this fact. Considering WB alone majority of the respondents were found to be in agreement with complaint acceptance of the bank (81.2%), the rest 7.3% of the respondents do have doubt on complaint acceptance of their bank while 11.5% of them show their opposition. Similar result also found for DB and BOA in which both banks customers are confident enough (89.8%) and (91.2%), respectively on complaint handling procedure of their bank.

4.6.6.3. Customers' attitude on – “the bank takes customer feedback seriously and replies to you.”

Figure 4.9: Summary of customer's perception on - The bank takes customer feedback seriously and replies to you.



Source: Own survey data, 2013

Considering the feeling of respondents on the customer feedback, for Bank of Abyssinia none of them strongly disagree as well as disagree while 13.3%, 48.9% and 37.8% of sample respondents of the bank under consideration neither agrees nor disagrees, agree, and strongly agree, respectively. About 75% of the customers of DB, however, satisfied with their bank's feedback reply. Similarly, 19% of DB respondents became neutral, 2.5% disagree and 3.8% strongly disagree with the statement 'the bank takes customer feedback seriously and replies to you'. The same result is also seen for WB, in which majority of the respondents (73.9%) satisfied with the aforementioned statement. Though customers of all banks perceive their banks were better in responding customer feedback, Bank of Abyssinia is better in responding customer feedback in relative to DB and WB, respectively.

4.6.6.4. Customers' attitude on – "I will recommend this bank to friends and family members."

Table 4.50: Summary of customer's perception on - I will recommend this bank to friends and family members.

Q32: I will recommend this bank to friends and family members.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	5	5.2	2	2.5	3	6.7
Disagree	8	8.3	1	1.3	0	0.0
Neither disagree nor agree	8	8.3	5	6.3	2	4.4
Agree	45	46.9	42	53.2	21	46.7
Strongly agree	30	31.3	29	36.7	19	42.2
Total	96	100	79	100	45	100

Source: Own survey data, 2013

As clearly shown in the table 4.50 above, 5.2% and 8.3% of the respondents strongly disagree and disagree, respectively, with the statement " I will recommend this bank to friends and family members", considering Wegagen bank. About 8.3% of the respondents are neutral. Majority of sample respondents do feel to recommend their bank to others (46.9% of them agree and 31.3% of them strongly agree). On the other hand, majority of the sample respondents for Dashen bank (53.2%) agree and (36.7%) of them strongly agree with less extent (6.3%) neutral, (1.3%) disagree and (2.5%) strongly disagree with the abovementioned statement.

Moreover, for Bank of Abyssinia 6.7% of the respondents strongly disagreed, 4.4% of them neither disagree nor agree about the statement I will recommend this bank to friends and family members . In addition, 46.7% of the respondents agree and 42.2% of them have been strongly

agreed with the statement. This tells us that above 78% customers of the banks agreed to recommend about their banks. This intern helps the banks to get new customers while preserving the existing once.

4.6.6.5. Customers’ attitude on – “I find it difficult to switch to other banks because of what I get from this bank.”

Table 4.51: Summary of customer’s perception on - I find it difficult to switch to other banks because of what I get from this bank.

Q33: I find it difficult to switch to other banks because of what I get from this bank.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	7	7.3	2	2.5	2	4.5
Disagree	6	6.2	1	1.3	0	0.0
Neither disagree nor agree	7	7.3	6	7.6	5	11.1
Agree	55	57.3	45	57.0	18	40.0
Strongly agree	21	21.9	25	31.6	20	44.4
Total	96	100	79	100	45	100

Source: Own survey data, 2013

A question about ‘I find it difficult to switch to other banks’ was asked for sample respondents of WB, DB and BOA. From table 4.51 we can observe that more than 79% of WB respondents are loyal to their bank. Moreover, 7.3%, 6.2% and 7.3% of the respondents were found to be neutral, disagree and strongly disagree, respectively. Considering DB, majority of the respondents encounter difficulty to switch to other banks (88.6%), the rest 7.6% of the respondents are neither agree nor disagree while 3.8% of them show their disagreement with the statement. Similar result also found for BOA as 84.4%, 11.1% and 4.5% are agreed, neutral and disagreed with the statement, respectively. This shows that majority of sample respondents of the respective banks are loyal to their banks.

4.6.6.6. Customers' attitude on – “the bank insists on error free records.”

Table 4.52: Summary of customer's perception on - The bank insists on error free records.

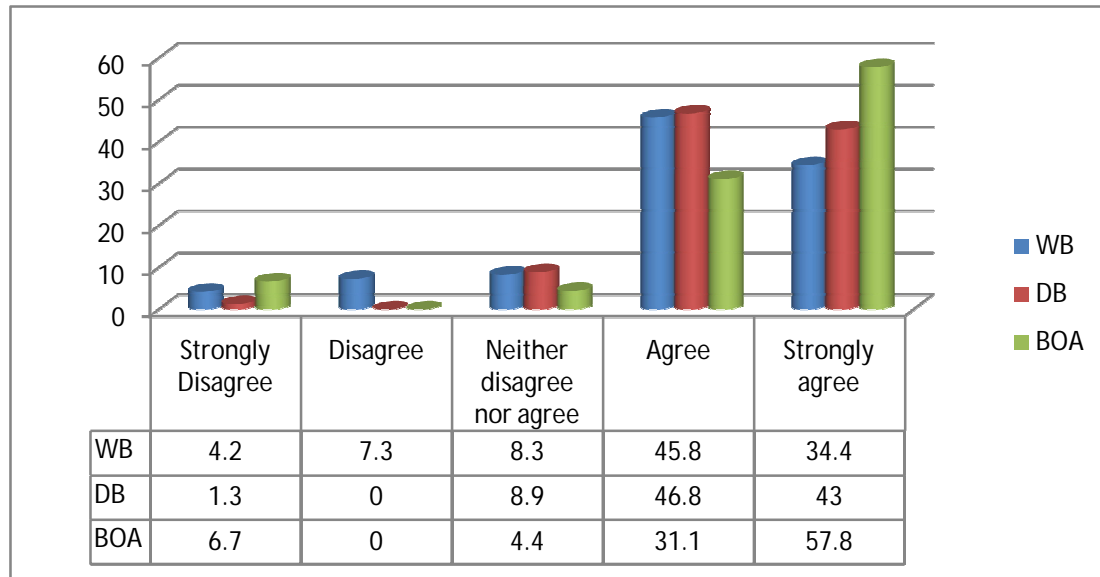
Q34: The bank insists on error free records.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	5	5.2	0	0.0	2	4.4
Disagree	7	7.3	0	0.0	0	0.0
Neither disagree nor agree	19	19.8	9	11.4	7	15.6
Agree	43	44.8	37	46.8	14	31.1
Strongly agree	22	22.9	33	41.8	22	48.9
Total	96	100	79	100	45	100

Source: Own survey data, 2013

Regarding bank's error free record keeping ability a question 'the bank insists on error free records' were asked to sample respondents of the selected private banks. As we can observe from the above table, 5(5.2%), 7(7.3%), 19(19.8%), 43(44.8%) and 22(22.9%) of respondents of WB strongly disagree, disagree, neutral, agree and strongly agree with the above statement, respectively. The table above also shows that 0(0.0%) sample respondents of DB strongly disagree and disagree with the above statement whereas; 9(11.4%) of the sample respondents were found to be neither disagree nor agree and 70(88.6%) of the respondents perceive that the bank insists on error free records. Considering the sample respondents of BOA, 36(80%) of sample respondents agreed that their bank maintain error free record whereas 7(15.6%) of sample respondents said neither agree nor disagree and the remaining 2(4.5%) strongly disagree with the above statement. Although large number of sample respondents of the three banks perceived that the banks works on error free records, significant number of respondents, however, is found to be neutral regarding the abovementioned statement.

4.6.6.7. Customers' attitude on – “I am confident of giving positive word of mouth testimonies to others about this bank.”

Figure 4.10: Summary of customer's perception on - I am confident of giving positive word of mouth testimonies to others about this bank.



Source: Own survey data, 2013

Figure 4.10 shows that the customers' observation in the question “I am confident of giving positive word of mouth testimonies to others about this bank”. As clearly shown from the figure, 11.5% of WB respondents don't like to give positive words of mouth to others while 8.3% neither agree nor disagree. In regard to the above analysis large proportions of respondents (80.2%), however, do agree and strongly agree with the statement, indicating they do in fact personal advertisement for their bank. Looking through the analysis results of DB, 89.8% of sample respondents believe to give positive words of mouth about their bank, 1.3% of strongly disagree while 8.9% were found to be neutral. Considering BOA, 6.7% strongly disagree, 4.4% neutral and the remaining 88.9% agreed with the statement above.

4.6.6.8. Customers' attitude on – “I intend using other products and services of the bank.”

Table 4.53: Summary of customer's perception on - I intend using other products and services of the bank.

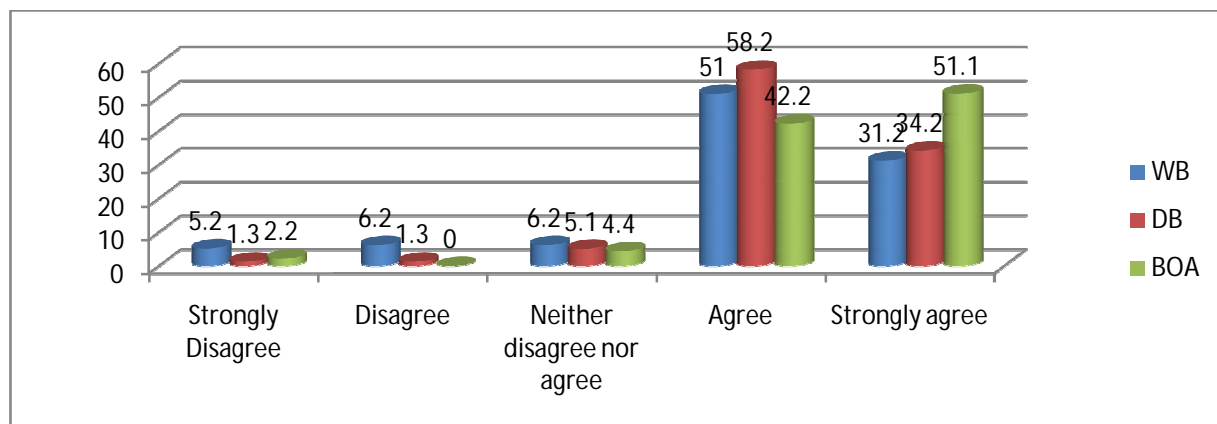
Q36: I intend using other products and services of the bank.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	5	5.2	1	1.3	0	0.0
Disagree	7	7.3	0	0.0	1	2.2
Neither disagree nor agree	8	8.3	5	6.3	3	6.7
Agree	53	55.2	43	54.4	14	31.1
Strongly agree	23	24.0	30	38.0	27	60.0
Total	96	100	79	100	45	100

Source: Own survey data, 2013

A question was also asked to know whether customers need to use other products and services of the banks. The data analysis of Wegagen bank, Dashen bank and Bank of Abyssinia presented on table 4.53 tells us this fact. Considering WB majority (79.2%) of the sample respondents were believe that they need to use other product and services of the bank. The rest 8.3% of the sample respondents neither disagree nor agree while 12.5% of them agree with the statement. Similar result also found for DB and BOA in which majority of both banks customers are believed they intend to use other products and services of their bank. The inter bank comparison of sample respondents perception on the point mentioned above, Customers of DB were ready to use other products and services of the bank, followed by BOA and WB.

4.6.6.9. Customers' attitude on – “I am very pleased with what the bank does for me.”

Figure 4.11: Summary of customer's perception on - I am very pleased with what the bank does for me.



Source: Own survey data, 2013

Sample respondents of WB, DB and BOA were asked a question about their happiness for what the bank does for them. The description presented on figure 4.11 tells us the following fact. Considering WB majority of the respondents were found to be delighted with the above statement (82.2%), the rest 6.2% of the respondents were neutral regarding the aforementioned statement while 11.4 % of them show their disagreement with the statement. Similar result also found for DB and BOA in which both banks customers are satisfied with what their bank does for them. BOA (93.3%), however, has better with the above statement than the two banks.

4.6.6.10. Customers' attitude on – “Overall, I am satisfied with the bank services.”

Table 4.54: Summary of customer's perception on - Overall, I am satisfied with the bank services.

Q38: Overall, I am satisfied with the bank services.						
Response	WB		DB		BOA	
	F	%	F	%	F	%
Strongly Disagree	6	6.2	1	1.3	1	2.2
Disagree	4	4.2	0	0.0	1	2.2
Neither disagree nor agree	4	4.2	7	8.9	1	2.2
Agree	48	50.0	37	46.8	19	42.3
Strongly agree	34	35.4	34	43.0	23	51.1
Total	96	100	79	100	45	100

Source: Own survey data, 2013

Considering the feeling of respondents on their over all bank service, 2.2% of BOA customers replied as strongly disagree, disagree and neither agrees nor disagrees. 93.4% of the customers, however, agree and strongly agree with the statement “over all, I am satisfied with the bank service”. The same result is also seen for WB; in which majority of the respondents (85.4%) disclosed their over all satisfaction with their bank, 4.2% neutral and 10.4% show their disagreement for the statement. The data analysis also exhibits similar to the other banks in which large proportion of sample respondents (89.8%) agree and strongly agree with the abovementioned statement. Although customers of all banks reveal their satisfaction with their bank's service, however, BOA is better followed by DB and WB, respectively.

4.7. Discussion results of the interview data

Interviews were also conducted with branch managers and assistant branch managers of the banks considered in this study. The interviews consisted of six structured questions. This section presents the results of each interview questions.

The first question forwarded to them was about the CRM practices of their respective banks as compared to their rivals. In this regard, an interviewee from Wegagen bank responded that their CRM practice is efficient and the bank provides customer focused domestic and international banking services. WB managers added to this point that they have suggestion box and read and interpret their customers comment. In addition, according to the interviewee, they differ from their competitors since they provide individual customer focused services.

When we see from Dashen bank perspective, their CRM practice is one window service and they attentively follow the daily service activities. This service is also preferred by their customers and they thought that this is the better practice compared to other rivals banks. Similarly, BOA managers also replied that their CRM practice is focused on customer satisfaction through quality customer service. According to the response from the interview with BOA representative, the bank differs from other competitors by its door to door banking services.

The second interview question asked was “How does the bank attain knowledge about customers?” In this regard, the managers and deputy managers of the three banks replied that they get information about their services from their suggestion box. Though, this may not be sufficient source of information, questionnaires and research works being the most reliable source of information about customer’s satisfaction on the bank services.

The third question was regarding CRM strategies of the banks under consideration. The managers of the selected private banks came up with almost similar responses. Among these strategies; introducing new technology, structure revision and customer focused services are emphasized by the respondents. Besides these, BOA develops expansion strategy so as to enrich its customers.

The fourth interview question was regarding the CRM dimensions such as trustworthiness, reciprocity, empathy, bonding and responsiveness of the selected banks. With regard to trust, all

interviewees of the selected banks replied that they are trustworthy in keeping customer record safely as well as confidentiality. In addition, all the interviewees of the three banks admitted the existence of interdependence between the banks and their customers, which show a positive value of reciprocity with in the organization.

Regarding to empathic relationship with their customers, managers of BOA have doubt on employees' response towards customers request because, according to the interviewee, some customers provide information regarding the response capacity of employees of the bank. However, managers of WB responded that employees and management bodies of the bank work extra time to satisfy their customers while DB bank front officers transfer the question of their customers to back sitter officials, if it is beyond their capacity.

Considering bonding, all interviewees agreed that they are working to establish long term relationship with their customers and doing various efforts, since nothing is absolute in the world, towards customer retention. In addition, responsiveness was one area of interview question for the study. As showing sincerity and willingness to help customers are some of the key issues in responsiveness, from the selected private banks interviewees of DB and WB are replied that their respective banks trying to provide prompt customer focused services. BOA managers, however, replied that they can not provide the desired quality services due to hiring new employees.

The fifth interview question was about the awareness of employees on the concept as well as practices of CRM. In this regard, interviewees of WB and DB replied that they create awareness among their employees through continuous training. They said also that their employees are in a good ethics of conduct towards understanding customer's individual character, needs and preferences. BOA managers, however, replied that awareness is given by looking employee's day to day service practice. In addition, the managers of this bank said that, employees of the bank never got training on quality customer service though training is important to make employees have good understanding on quality customer service practices.

Finally, a question was also asked to interviewees about their banks strength and weaknesses related to maintaining good relationship with their customers. Regarding their strength all interviewees of the selected banks expressed that they are strong in introducing new technology;

for instance their branches are networked with other branches of the respective banks. In addition, except BOA the remaining two banks were introducing ATM (working 24 hours) banking so as to provide better service to their customers. However, from their challenge perspective, all interviewees raised internet interruption problem. This network interruption adversely affects their services. In addition, to the above challenge BOA managers said that they faced challenges from employee resignation and going behind technology such as ATM banking.

From the interview the researcher understands that the managers of the selected private banks identified their gaps that adversely affect their quality banking service towards customer's individual character, needs and preferences.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATION

5.1. Conclusion

The results of the study were based up on the discussion of data obtained from close ended questionnaire distributed to customers of WB, DB and BOA. In addition, interviews were conducted with respective branch managers as well as assistant branch managers of the aforementioned banks. However, the study emphasizes on the existence of relationship between the banks and their customers measured by customer relationship management practices.

In banking industry trustful and quality banking services are the basis of sound CRM. From the results obtained, customers of the selected banks have feel safe in conducting transactions with their banks. However, it is difficult to arrive at such conclusion and generalize that the selected banks are doing their transactions well, since there were some respondents who disagreed and remained neutral.

The aim of CRM is also to establish, maintain, and enhance relationships with customers at a profit. So, doing what is promised to do is the fundamental issue to maximize profit. Though customers of all selected banks perceived that their banks were better in keeping their promises, there is a slight difference among them. It is common that as trust declines, customers are unwilling to conduct business transaction. Particular to the banking industry, trust leads to construct long-term relationship with their customers. Though there are customers who have doubt considering trustworthiness of the selected private banks, majority of them, however, perceived that all the three banks are trustful. Considering the consistency of quality service provision by their banks, significant numbers of customers did not express their agreement.

Regarding reciprocal help between the banks and their customers, majority of the respondents of the selected banks perceive that their banks were working for mutual benefit. However, regarding keeping promises of the banks, significant numbers of customers of WB do not agree and be neutral. Majority of the customers of DB and BOA, however, perceived that their banks are keeping their promises. Successful CRM focuses also on understanding the needs and desires of the customers and is achieved by placing these needs at the heart of the business by integrating them with the organization's strategy, people, technology and business process (Agarwal, 2009). In this regard, the banks and customers were found to be working for their mutual benefits.

It is also known that one of the CRM goals is to create and maintain long lasting relationships between the bank and its customers. One measurement for CRM is empathy. Empathy is a key component for harmonious and productive relationships in the work place. Thus, empathy can be viewed as the ability to share and understand and feel another person in a relational situation.

As per the result from the data collected, WB is relatively weak in giving individual attention, sincere interest to solve difficulties and improving the working hour as well. Similarly, significant number of customers of WB and DB do not expressed their witness regarding banks individual attention. However, BOA has better understanding of individual customers need than the remaining two banks.

From this study we can also conclude that there exists direct relationship between CRM and retention concerning the three banks included in the study. This in turn implies that the management bodies of the selected banks are encouraged to pursue CRM practices so that they can survive in the present globalised business environment as major competitors in the industry.

The study also shows, DB is working in close cooperation with its customers followed by BOA and WB. Thus, compared to its competitors WB is in a better condition to improve its close cooperation gap by implementing CRM strategies in its work place. Close cooperation help to retain existing customers. It is supported as; close relationship with customers will require a strong coordination between banks and its marketing departments to provide a long-term retention of selected customers (Chary and Ramesh, 2012). This is in line with the theory indicating that an old customer satisfied with the banking services is effective same as ten new clients in advertising and profitability of the bank (Gilaninia *et al.*, 2011). Therefore, the existence of close cooperation, the better the bank can understand customer wants and needs and it is helpful to retain them.

Employees of the three private banks know their customers very well. The three banks are doing well in this regard. However, comparing the selected banks regarding to the behavior of employees inspires confidence in customers, WB is weak than the remaining selected competitor banks. Though it needs detail research, it will negatively affect the bank's long term relationship with its customers.

In comparison to trust, reciprocity, bonding and responsiveness of CRM dimensions, DB is better performer followed by BOA and WB, respectively. However, taking empathy as an indicator of CRM, DB and BOA has almost equal performance but still WB is lacking behind the two other selected private banks. In addition to the above CRM dimensions, in regard to the supportive miscellaneous questions DB is better than the remaining two banks (BOA and WB) however; BOA is better performed than WB in this regard. Thus, in implementing CRM in to practice the selected banks have their own gaps. However, comparing the three private banks Dashen bank is better implementer followed by Bank of Abyssinia and Wegagen bank, respectively.

Furthermore, as per the conducted interview results of higher officials of selected banks, the banks were found to be strong in introducing new technology and make networking system among their own branches. On the other hand, they faced problem of network interruption that adversely affects their quality banking service practices.

Finally, the purpose of customer retention is to keep a high proportion of valuable customers through reducing customer dissatisfaction. As suggested on the literature review part of this study, normally, the costs of cultivating the existing customer base are far less than the costs of attracting new customers. From the descriptive statistics results of this study, there exists a relationship between CRM and Customer retention. The results clearly revealed that the five CRM dimensions are very close. This shows us that CRM has significant influence on customer retention both from customers' and branch managers view. Though it needs further and detailed study, generally, the results indicate that customer relationship management is important for customer retention that is essential for the success of the selected private banks.

5.2. Recommendations

With the recent establishment of several new banks in Ethiopia, the banking industry in the country is undergoing dynamic expansion. It is, therefore, vital for private banks to continuously monitor their level of service delivery and the drivers of satisfaction in order to retain their current customers and also to attract new ones.

The concept of customer participation in the service delivery process has a long history and is identified as one of the distinguishing characteristics of services. Since customer relationship management characteristics are relevant to financial services, customer participation in service relationships is held to be of particular importance for banking services. Given these facts, based on the findings of this study, the following recommendations are proposed to help improve the CRM practice of the selected three banks.

General recommendations

The general recommendations are for the three banks considered in this study, which includes;

- ❖ Attention should be paid in continuous supervision and monitoring the quality of services.
- ❖ The three banks should have dialogues with their customers in order to identify where the demand of customers lies and offer customized services to them.
- ❖ The selected banks should Implement CRM practices; which can enable the banks attract and retain customers.
- ❖ Considering empathic relationship among the three banks and their customers, some respondents of the selected banks reply that employees are not responding to their requests properly. Therefore, the banks need to provide continuous training to their employees.
- ❖ The three banks obtain information about their customers from their suggestion boxes. However, it will be better to adapt other mechanisms such as interview, questionnaires or generally conducting research periodically.

In addition to the general recommendations provided above, some specific recommendations for the three banks are described hereunder:-

Bank of Abyssinia

- Emphasis should be accorded to the presence of banking technologies. Thus, launching ATM banking services is helpful to address the demand of its customers.
- By identifying its gap, cost effective training program for employees of the bank is helpful for better competitive advantage.
- Collecting of information on the reason for employee's resignation and arranging possible solutions accordingly will enable the bank to perform effectively.

Dashen bank

- Large proportion of the respondents of DB does not have any confidence on the provision of financial support when they encounter financial losses. Thus, it will be better for the bank to show its dedication to assist its customers when they encounter financial problems, which will increase their sense of ownership to the bank.
- In responsiveness aspect, the bank does not arrange special care to its special customers. It will also provide for the bank an advantage if it arranges special service mechanism to its special customers.

Wegagen bank

- Considering reciprocity aspect of the bank, large proportions of sample respondents have doubt as well as disagree regarding keeping promises of the bank. This may lead to the loss of existing customers. Therefore, the bank should keep its promises properly.
- Considering empathic relationship, large proportion of the respondents of Wegagen bank do not agree or have doubt regarding the working hours of the bank. Therefore, the bank should rearrange its working hours in line with its customers' needs.
- In bonding perspective large proportions of the respondents of Wegagen bank do not agree as well as have doubt with the idea 'their achievement has direct relationship with their banks'. Therefore, it would also be an advantage for the bank to revise its policies towards its customers need.
- Concerning responsiveness, employees of the bank do not devote time to reply any questions that were raised by customers. In addition to this, they don't arrange special

care to special customer of the bank. Therefore, listening and answering customers questions and arrange a special program accordingly will put the bank in a better condition as far as CRM is concerned.

Recommendations for Further Research

- ❖ The study focused on three banks in Mekelle city. Additional research is necessary to determine if the relationships identified can be generalized to other banks through comparative studies considering more banks.
- ❖ This study includes only five CRM dimensions. However, there could be some other relevant factors that may be perceived as important by customers. Thus, future research works which incorporate diversified CRM dimensions will be advisable.

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APPENDICES

Mekelle University
College of Business & Economics
Department of Management

Questionnaire to be filled by customer's of private banks.

Dear Respondent;

I am currently pursuing my Masters of Business Administration (MBA) at the College of Business & Economics, Mekelle University. As partial fulfillment towards the completion of my postgraduate degree, this research titled as “Assessment of Customer Relationship Management Practices in Selected Private Banks (A comparative study)” is undertaken. Hence, I kindly request you to fill in this questionnaire while assuring you that the information that you provide will be treated with confidentiality and shall only be used for the purpose of this academic research. I would also like to remind you that your fair and impartial feedback will make this research a very successful one.

Thank you for your cooperation and assistance.

Sincerely,

Please respond to each item by putting a tick mark “ ✓ ” in the box & fill in the blank on the number which best reflects your own perception.

Part I. Demographic Profile

1. Sex Male ☐ Female ☐
2. Age 18-27 ☐ 28-37 ☐ 38-47 ☐ 48-57 ☐ 58 and above ☐
3. Educational Background
- No formal schooling ☐ Primary school completed ☐ Secondary school completed ☐
- Certificate ☐ Diploma ☐ Degree and above ☐ others _____
4. How long have you been the customer of the bank? Please state in years _____
5. How frequent do you use the bank's service? Please state in week's _____

Part II. Survey of Customer Relationship Management Practices

Please show the extent to which you agree or disagree with the statements given below. This is to assess the following on the scales of strongly disagree to strongly agree. Strongly disagree is given the least weight of 1; while strongly agree is given the highest weight of 5.

	Strongly Disagree (1)	Disagree (2)	Neither Disagree nor Agree (3)	Agree (4)	Strongly Agree (5)
Trust					
1. You feel safe in all of your transactions with your bank.					
2. The bank always does what it promised to do.					
3. I am confident on the financial status of the bank.					
4. I am confident that the bank will take care of me in case I incur financial loss.					
5. The bank is trustworthy on calculating charges.					
6. The bank is trustworthy during cash payment process					
7. The bank provides consistent quality services at different time.					
Reciprocity					
1. The bank helps me to solve difficulties, so I am responsible to repay their kindness.					
2. The bank keeps its promises.					
3. The bank and you work for mutual benefit.					
4. The bank and you are interdependent.					
Empathy					
1. Employees of the bank understand my feelings.					
2. The bank gives individual attention to its customers.					
3. The bank shows a sincere interest in solving your problem.					
4. Employees of the bank are never too busy to respond to customers requests.					
5. The bank has guidance signs indicating as to which counters are offering which services.					
6. The working hours of the bank are flexible and convenient to me.					

Bonding					
1. The bank keeps in touch constantly with its customers.					
2. The bank tries very hard to establish a long term relationship with its customers.					
3. The bank works in close cooperation with its customers.					
4. Employees of the bank know you very well.					
5. Your achievement flourish on the solid relationship you have with the bank.					
Responsiveness					
1. The bank provides prompt service to its customers.					
2. Employees of the bank are willing to help customers.					
3. Employees of the bank devote time to reply to any of your questions.					
4. The bank arranges special care to special customers.					
5. The behavior of the employees inspires confidence in customers.					
6. Employees give genuine and detailed information regarding to any transaction of the bank.					
Miscellaneous Questions					
1. What makes this bank different from its rivals is that it can make successful relationships with its customers.					
2. The bank welcomes complaints from customers.					
3. The bank takes customer feedback seriously and replies to you.					
4. I will recommend this bank to friends and family members.					
5. I find it difficult to switch to other banks because of what I get from this bank.					
6. The bank insists on error free records.					
7. I am confident of giving positive word of mouth testimonies to others about this bank.					
8. I intend using other products and services of the bank					
9. I am very pleased with what the bank does for me .					
10. Overall, I am satisfied with the bank services.					

Source: adopted from, (Ravichandran et.al, 2010 and Frank Kojo Kuranchie); modified by the researcher.

THANK YOU FOR YOUR COOPERATION!!!

መቐለ ዩኒቨርሲቲ

ናይ ቢዝነስን ኢኮኖሚክስን ኮሌጅ

ናይ ስራሕ አመራርሓ ትምህርቲ ክፍል

ናይ ድህረ ምረቃ ፕሮግራም

ንናይ ግሊ ባንክ ተጠቀምቲ ዓማዊል ዝተዳለወ ሕቶ

ዝከበርኩም ዓማዊልና ኣነ ኣብ መቐለ ዩኒቨርሲቲ ናይ ድህረ ምረቃ ተምሃራይ እንትኾን ናይዚ m- YO ዕላማ ንመመረቕ ጠፅናዕቲ ዝጥቀመሉ ፍልፍል ካብ ዓማዊል ንምእካብ እዩ። ስለዚ ክቡር ግዜኩም ሰዊእኩም ንዝተወሰነ ደቂቃታት ወሲድኩም ነዚ ሕቶ ንክትምሉስለይ ብትሕትና እናሓተትኩ ንእትህቡኒ ሓበሬታ ሚስጥሩ ዝተሓለወ ምዃኑ እንዳገለፅኩ ብተወሳኪ ንትምህርቲ ዕላማ ጥራሕ ዝውዕል ስለዝኾነ ሓበሬታኹም ብጠቅላላ እምበር ብተናፀል ዝርእ ከምዚይኮነ ከረጋግፀልኩም ይፈትው።

ስለዚ ንዝመስለኩም መልሲ ንምምላስ ኣብቲ ሕቶ ጎኒ ንዝተቐመጡ ናይ መልሲ ምርጫታት ናይ “✓” ምልክት ብምግባር ንክገልፁ ብተወሳኺ እውን ኣፍቲ ክፍቲ ቦታ ሓፂር መልሲ ንክትዕሕፉለይ እንዳሓተትኩ ንዝግበረለይ ምትሕብባር ኣቐዲመ የመስግን።

ቀዳማይ ክፋል፡- አጠቃላሊ መረዳእታ

ሀ) ያታ፡- ወዲ ☐ ዓል ☐

ለ) ዕድሙ፡- 18-27 ☐ 28-37 ☐ 38-47 ☐ 48-57 ☐ 58ን ካብኡ ንላዕሊን ☐

ሐ) ናይ ትምህርቲ ደረጃ ፡- ስሩዕ ትምህርቲ ኣይተምሃርኩን ☐ ቀዳማይ ደረጃ ☐ ካልኣይ ደረጃ ☐
ሰርቲፊኬት ☐ ዲፕሎማ ☐ መደበኛ ዲግሪን ካብኡ ንላዕሊን ☐ ካሊእ ☐

መ) ናይ ባንክ ዓሚል ካብ ዝኾኑ ክንደይ ግዜ ይገብሩ? በጃኩም ዝፀናሕክምዎ ግዜ ብዓመት ግለፁ_____

ሰ) በብክንደይ ናይ ፃንሒት ግዜ ናይቲ ባንክ ግልጋሎት ትጥቀሙ? በጃኩም ፃንሒት ግዜኩም ብሰሙናት ግለፁ። _____

2ይ ክፉል፦ ካብዚ ንታሕቲ ንዝተዘርዘሩ ሓሳባት ናይ ግልኩም ሚዛን ኣብ ጎኒ እቲ ሕቶ ኣብ ዝተቐመጠልኩም ሰንጠረዥ ናይ“✓” ምልክት ብምግጥ ሓሳብኩም ንክትገልፁ ብትሕትና እንዳሓትትኩ ኣማራጪታት ካብ ብጣዕሚ ኣይስማዕማዕን (1) ጀሚሩ ክሳብ ብጣዕሚ ይስማዕማዕ (5) ምዃናም ንምግላፅ ይፈቱ።

ተ. ቁ		ብጣዕሚ ኣይስማዕማዕን (1)	ኣይስማዕማዕን (2)	እርግፀኛ ኣየኮንኩን (3)	እስማዕማዕ እዩ (4)	ብጣዕሚ እስማዕማዕ (5)
ምትእምማን						
1	ምስቲ ባንኪ ዘለኒ ምንቅስቃስ ብዝተመልከተ ዋላ ሓንቲ ሽግር ኣጋጢሙኒ ኣይፈልጥን።					
2	እቲ ባንኪ ኩሉ ጊዜ ብዝኣተዎ ቃል መሰረት ይፍፅም።					
3	በቲ ባንኪ ፋይናንሳዊ ዓቕሚ እተኣማመን እዩ።					
4	ናይ ገንዘብ ኪሳራ እንተጋጢሙኒ እቲ ባንኪ ክገብር ዝክእሎ ሓገዝ ይገብረለይ እዩ ኢለ ይኣምን።					
5	እቲ ባንኪ ብዘኸፍሎ ናይ ኣገልግሎት ክፍያ ተኣማኒ እዩ።					
6	እቲ ባንኪ ብገንዘብ ኣክፋፍላ ኣካይድኡ ተኣማኒ እዩ።					
7	እቲ ባንኪ ኣብዝተፈላለዩ ጊዜታት ሓደ ዓይነት ናይ ባንኪ ኣገልግሎት ይህብ።					
ሂብካ ምቕባል						
1	እቲ ባንኪ ሽግረይ ንምፍታሕ ይሕግዘኒ ኣነ እውን ናይቲ ባንኪ ፅቡቕ ስራሕ ዋጋ ንምሃብ ሓላፍነት ይስመዐኒ።					
2	እቲ ባንኪ ዝኣተዎ ቃል የኸብር እዩ።					
3	ንሶምን ኣቲ ባንክን ንሓበራዊ ጥቅሚ ትሰርሖ።					
4	ንስኩምን ኣቲ ባንክን ተሓገዝቲ ኢኹም።					
ሓልዮት						
1	ናይቲ ባንኪ ሰራሕተኛታት ስምዒተይ ይርድኡኒ እዮም።					
2	እቲ ባንኪ ነኒ ሕድሕድ ዓሚል ፍሉይ ትኩረት ይህብ እዩ።					
3	እቲ ባንኪ ናቶም ሽግር ንምፍታሕ ሓቃዊ ድልየት የርእይ።					
4	ናይቲ ባንኪ ሰራሕተኛታት ናቶም ሕቶ ብኣግባቡ ንምምላስ ዘክእል እኩል ጊዜ ኣለዎም።					
5	እቲ ባንኪ ዝኮነ ዓይነት ናይ ባንኪ ኣገልግሎት ኣብ ኣይናይ ከባቢ ምርካብ ከምዝክእሉ ዘርኢ ምልክት ኣለዎ።					
6	ናይቲ ባንኪ ናይ ስራሕ ሰዓታት ንዓይ ዝምችወንን ከከም ኩነታቱ ክለዋወጡ ዝክእሉ እዮም።					

		ብጣዕሚ ኢ.ይ.ሰ.ማዕ ማዕን (1)	ኢ.ይ.ሰ.ማዕ ማዕን (2)	እርግፀኛ ኢየሱስክሪስቲያን (3)	እስማዕማዕ ዕ እየ (4)	ብጣዕሚ እስማዕማዕ ዕ (5)
ሓድነት /ሕብረት						
1	እቲ ባንኪ ምስ ዓማዊሉ ቀፃላይ ርክብ ክህልዎ ይገብር።					
2	እቲ ባንኪ ምስ ዓማዊሉ ቀፃላይ ርክብ ንምምስራት ኣጥዕዩ ይፅዕር።					
3	እቲ ባንኪ ምስ ዓማዊሉ ጥብቅ (ስጥም) ብዝበለ ርክብ ይሰርሕ።					
4	ንሶም/ንሰን በቲ ባንኪ ሰራሕተኛታት ብደንቢ ይፋለጡ።					
5	ናቶም/ናተን ዕብየት እንዳወሰኸ ዝከደሉ ሚስጢር ምስቲ ባንኪ ጠንካራ ርክብ ብምምስራት እዩ።					
መልሲ ምሃብ						
1	እቲ ባንኪ ንዓማዊሉ ቅልጡፍ ግልጋሎት ይህብ።					
2	ናይቲ ባንኪ ሰራሕተኛታት ንዕኡም ንምሕጋዝ ፍቓደኛታት እዮም።					
3	ናይቲ ባንኪ ሰራሕተኛታት ዝኮነ ሕቶኹም ንምምላስ እኩል ግዜ ይህቡ።					
4	እቲ ባንኪ ንዝተፈላለዩ ዓማዊላት ዝተፈላለዩ ክንክን ይገብር።					
5	ናይቶም ሰራሕተኛታት ባህሪ ዓማዊል እምነት ንክሕድርሎም የበረታትዕ።					
6	ናይቲ ባንኪ ሰራሕተኛታት ዝኮነ ናይቲ ባንኪ ምንቅስቃስ ብዝምልከት ሓቅነት ዘለዎ ሙሉእ መረዳእታ ይህቡ።					
ዝተፈላለዩ ሕቶታት						
1	እዚ ባንኪ ካብ ካልኦት ባንኪ ዝፈልዮ ነገር እንተሃለወ እቲ ባንኪ ምስ ዓማዊሉ ፅቡቅ ርክብ ስለዝፈጠረ እዩ።					
2	ባንኪ ናይ ዓማዊሉ ቅሬታ ንምስማዕ ፍቓደኛ እዩ።					
3	ባንኪ ናይ ዓማዊሉ ሓበሬታ ብትሕትና ተቀቢሉ ተመሊሱ ዓማዊሉ የፍልጥ።					
4	ንኣዕርኩተይን ስድራቤተይን /ቤተሰባይን/ እዚ ባንኪ ንክግልገሉ ይሕብረሎም።					
5	ኣብዚ ባንኪ ብዝረከቦ ጥቅሚ ምክንያት ናብ ካሊእ ባንኪ ንምቅያር ይከብደኒ።					
6	ናይቲ ባንኪ መዝገብ ኣተሓሕዛ ካብ ጌጋ ነፃ ዝኮነ እዩ።					
7	እዚ ባንኪ ፅቡቅ ባንኪ ምኳኑ ክምስክር እንተለኩ በሙሉእ ልቦይ እየ።					
8	ካልኦት ናይዚ ባንኪ ፍርያትን ግልጋሎትን ንምጥቃም ትልሚ ኣለኒ።					
9	እቲ ባንኪ ብዝገብረለይ ዘሎ ነገር ብጣዕሚ ሕጉስ እየ።					
10	ብኣጠቓላሊ እቲ ባንኪ ብዝህቦ ግልጋሎት ሕጉስ እየ።					

ንዝተገበረለይ ምትሕብባር ኣቐዲመ የመስግን !!!

መቀሌ ዩኒቨርሲቲ
ቢዝነስና ኢኮኖሚክስ ኮሌጅ
የስራ አመራር ትምህርት ክፍል
የድህረ ምረቃ ፕሮግራም

ለግል ባንክ ተጠቃሚ ደንበኞች የተዘጋጀ መጠይቅ

የተከበራቹ ደንበኞች እኔ በመቀሌ ዩኒቨርሲቲ የድህረ ምረቃ ተማሪ ስሆን የዚህ መጠይቅ አላማ ለመመረቅያ ጥናት የምጠቀምበት መረጃ ከደንበኞች ለመሰብሰብ ነው። ስለዚህ ውድ ከሆነው ግዜዎ የተወሰኑ ደቂቃዎች ወስደው ጥያቄዎቹን እንዲመልሱልኝ በትህትና እየጠየቅኩኝ የሚሰጡኝን መረጃ ሚስጥራዊነቱ የተጠበቀ ከመሆኑ በተጨማሪ ለትምህርታዊ አላማ ብቻ የሚውል ስለሆነ መረጃው በአጠቃላይ እንጂ በተናጠል የማይታይ መሆኑን ላረጋግጥሎት እወዳለሁኝ። ስለዚህ የሚመስሎት መልስ በጥያቄዎች ትይዩ በቀረቡት ሳጥኖች የ"✓" ምልክት በማድረግ እንዲገልፁ እንዲሁም ክፍት ቦታዎችን አጭር መልስዎን እንዲፅፉልኝ ስጠይቅ ለሚያደርጉልኝ ትብብር በቅድምያ በማመስገን ነው።

ክፍል 1፡- አጠቃላይ መረጃ

ሀ. ፆታ፡- ተባዕታይ ☐ አንስታይ ☐

ለ. ዕድሜ፡- 18-27 ☐ 28-37 ☐ 38-47 ☐ 48-57 ☐ 58 እና ከዛ በላይ ☐

ሐ. የትምህርት ደረጃ፡- መደበኛ ትምህርት አልተማርኩም ☐ አንደኛ ደረጃ ☐

ሁለተኛ ደረጃ ☐ ሰርቲፍኬት ☐ ዲፕሎማ ☐ የመጀመርያ ዲግሪና ከዛ በላይ ☐

ሌላ ☐

መ. የባንኩ ደንበኛ ከሆኑ ስንት ጊዜ ሆነዎት? እባክዎን የቆይታዎ ጊዜ በአመት

ይግለፁት_____

ሰ. በምንያህል የቆይታ ጊዜ የባንኩን አገልግሎት ይጠቀማሉ? እባክዎን የቆይታዎ ጊዜ በሳምንታት ይግለፁት_____

ክ ፍ ል ዘ፡- ከዚህ በታች ለተዘረዘሩት ሀሳቦች የግልጽ ሚዛን በሃሳቦቹ ትይዩ በተቀመጡት አምዶች የ"✓" ምልክት በማስቀመጥ እንዲገልፁ በትህትና ስጦታ አማራጮቹ ከ በጣም አልስማማም(1) ጀምሮ እስከ በጣም እስማማለሁ(5) ድረስ መሆናቸውን እገልጻለሁኝ።

	በጣም አልስማማም (1)	አልስማማም (2)	እርግጠኛ አይደለሁም (3)	እስማማለሁ (4)	በጣም እስማማለሁ (5)
መተማመን					
1. ከባንኩ ጋር ያለኝ እንቅስቃሴ በተመለከተ ምንም አይነት ችግር አጋጥሞኝ አያውቅም					
2. ባንኩ ሁል ጊዜ በገባው ቃል መሰረት ይፈጽማል					
3. በባንኩ ፋይናንሲያዊ አቅም እተማመናለሁ					
4. የገንዘብ ኪሳራ ቢያጋጥመኝ ባንኩ ማድረግ የሚችለውን እገዛ ያደርግልኛል ብዬ እተማመናለሁ					
5. ባንኩ በሚያስከፍለው የአገልግሎት ክፍያ ታማኝ ነው።					
6. ባንኩ በገንዘብ አከፋፈል ሂደቱ ታማኝነው።					
7. ባንኩ በተለያዩ ጊዜያት ተመሳሳይ ጥራት ያለው አገልግሎት ይሰጣል።					
ሰጥቶ መቀበል					
1. ባንኩ ችግራን ለመፍታት ያግዘኛል እኔም የባንኩን ጥሩ ስራ ዋጋ ለመስጠት ሀላፊነት ይሰማኛል					
2. ባንኩ የገባውን ቃል ያከብራል					
3. እርሶ እና ባንኩ ለጋራ ጥቅም ትስራላችሁ					
4. እርሶ እና ባንኩ ተመጋጋቢ ናችሁ					
አሳቢነት					
1. የባንኩ ሰራተኞች ስሜቴን ይረዱልኛል።					
2. ባንኩ ለእያንዳንዱ ደንበኛ ልዩ ትኩረት ይሰጣል።					
3. ባንኩ የእርሶን ችግር ለመፍታት እወኑተኛ ፍላጎቴን ያሳያል።					
4. የባንኩ ሰራተኞች የእርሶን ጥያቄ በአግባቡ ለመመለስ የሚያስችል በቂ ጊዜ አላቸው።					
5. ባንኩ የትኛው የባንኩ አገልግሎት በየትኛው አካባቢ ማግኘት እንደሚችሉ የሚጠቁም ምልክት አለው።					
6. የባንኩ የስራ ሰአታት ለኔ አመቺ ና እንደሁኔታው መለዋወጥ የሚችሉ ናቸው።					

	በጣም አልስማማም (1)	አልስማማም (2)	እርግጠኛ አይደለሁም (3)	እስማማለሁ (4)	በጣም እስማማለሁ (5)
ጥምረት					
1. ባንኩ ከደንበኞቹ ጋር ቀጣይነት ያለው ግንኙነት ያደርጋል፡፡					
2. ባንኩ ከደንበኞቹ ጋር ዘለቄታዊ ግንኙነት ለመመስረት አብክሮ ይጥራል፡፡					
3. ባንኩ ከደንበኞቹ ጋር ጠበቅ ባለ ግንኙነት ይሰራል፡፡					
4. እርሶ በባንኩ ሰራተኞች በደንብ ይታወቃል፡፡					
5. የእርሶ ውጤታማነት እየጨመረ የመሄዱ ሚስጥር ከባንኩ ጋር ጠንካራ ግንኙነት ስለመሰረቱ ነው፡፡					
መልስ ሰጭነት					
1. ባንኩ ለደንበኞቹ ቀልጣፋ አገልግሎት ይሰጣል፡፡					
2. የባንኩ ሰራተኞች እርሶን ለማገዝ ፍቃደኞች ናቸው፡፡					
3. የባንኩ ሰራተኞች ማንኛውም የእርሶን ጥያቄ ለመመለስ በቂ ጊዜ ይሰጣሉ፡፡					
4. ባንኩ ለተለዩ ደንበኞች የተለየ እንክብካቤ ያደርጋል፡፡					
5. የሰራተኞቹ ባህሪ ደንበኞች እምነት እንዲጥሉባቸው ያበረታታል፡፡					
6. የባንኩ ሰራተኞች ማንኛውም የባንኩን ግብይት በተመለከተ እውነተኛ እና ሙሉ መረጃ ይሰጣሉ፡፡					
የተለያዩ ጥያቄዎች					
1. ይህ ባንክ ከሌሎች ተፎካካሪ ባንኮች የሚለየው ነገር ቢኖር ባንኩ ከደንበኞቹ ጋር የተሳካ ግንኙነት ስለፈጠረ ነው፡፡					
2. ባንኩ የደንበኞቹን ቅሬታ ለማዳመጥ ፈቃደኛ ነው፡፡					
3. ባንኩ የደንበኛውን አስተያየት በአፅንኦት ተቀብሎ ተመልሶ ለደንበኛው ያሳውቃል፡፡					
4. ለጓደኞቹ ና ለቤተሰቦቹ ይህን ባንክ እንዲጠቀሙ እጠቁማቸዋለሁ፡፡					

5. ከዚህ ባንክ በማገኘው አገልግሎት ምክንያት ወደ ሌላ ባንክ ለመቀየር ይከብደኛል፡፡					
6. የባንኩ መዝገብ አያያዝ ከስህተት የፀዳ ነው፡፡					
7. ይህን ባንክ በሚመለከት ጥሩ መሆኑን ምስክርነቴን ስለጥ በልበ መሉኑት ነው፡፡					
8. ሌሎች የዚህ ባንክ ምርትና አገልግሎቶች ለመጠቀም እቅድ አለኝ፡፡					
9. ባንኩ እያደረገልኝ ባለው ነገር በጣም ደስተኛ ነኝ፡፡					
10. ባጠቃላይ በባንኩ አገልግሎት ደስተኛ ነኝ፡፡					

ለተደረገልኝ ትብብር እጅግ በጣም አመሰግናለሁ!!!

Mekelle University
College of Business & Economics
Department of Management

Structured interview conducted with top management members of private banks.

Hello sir/madam! My name is Solomon Amare and I am currently pursuing my Masters of Business Administration (MBA) at the College of Business & Economics, Mekelle University. I kindly request you to ask a few set of questions regarding Customer relationship management practices in your bank. Shall I proceed?

Survey of Assessment of Customer Relationship Management Practices in Selected Private Banks (A comparative study)

Thinking over your entire experience in the position you have hold now, would you please give me your genuine response to the following questions?

1. Can you describe the Customer Relationship Management (CRM) practice of your bank? In what way does it differ from other banks?
2. How does the bank attain knowledge about customers?
3. What are the CRM strategies that your bank applies to make customers satisfied?
4. How do you appraise the trustworthiness, reciprocity, empathy, bonding, and responsiveness of your bank customers?
5. How do you describe the awareness of employees on the concept as well as practice of CRM?
6. Would you tell me any strength and weakness of the bank related to maintaining good relationship with customers?

THANK YOU FOR YOUR COOPERATION!!!

APPENDIX E: PERFORMANCE OF THE THREE BANKS ON CRM DIMENSIONS

1. Trust

Questions of CRM dimensions	1 st performer bank	2 nd performer bank	3 rd performer bank
1. You feel safe in all of your transactions with your bank.	DB	BOA	WB
2. The bank always does what it promised to do.	BOA	DB	WB
3. I am confident on the financial status of the bank.	DB	BOA	WB
4. I am confident that the bank will take care of me in case I incur financial loss.	BOA	WB	DB
5. The bank is trustworthy on calculating charges.	DB	BOA	WB
6. The bank is trustworthy during cash payment process	DB	BOA	WB
7. The bank provides consistent quality services at different time.	BOA	DB	WB

2. Reciprocity

Questions of CRM dimensions	1 st performer bank	2 nd performer bank	3 rd performer bank
1. The bank helps me to solve difficulties, so I am responsible to repay their kindness.	BOA	DB	WB
2. The bank keeps its promises.	BOA	DB	WB
3. The bank and you work for mutual benefit.	DB	WB	BOA
4. The bank and you are interdependent.	DB	BOA	WB

3. Empathy

Questions of CRM dimensions	1 st performer bank	2 nd performer bank	3 rd performer bank
1. Employees of the bank understand my feelings.	DB	BOA	WB
2. The bank gives individual attention to its customers.	BOA	DB	WB
3. The bank shows a sincere interest in solving your problem.	BOA	DB	WB
4. Employees of the bank are never too busy to respond to customers requests.	BOA	DB	WB
5. The bank has guidance signs indicating as to which counters are offering which services.	DB	BOA	WB
6. The working hours of the bank are flexible and convenient to me.	DB	BOA	WB

4. Bonding

Questions of CRM dimensions	1 st performer bank	2 nd performer bank	3 rd performer bank
1. The bank keeps in touch constantly with its customers.	DB	WB	BOA
2. The bank tries very hard to establish a long term relationship with its customers.	DB	BOA	WB
3. The bank works in close cooperation with its customers.	DB	BOA	WB
4. Employees of the bank know you very well.	BOA	DB	WB
5. Your achievement flourish on the solid relationship you have with the bank.	BOA	DB	WB

5. Responsiveness

Questions of CRM dimensions	1 st performer bank	2 nd performer bank	3 rd performer bank
1. The bank provides prompt service to its customers.	DB	BOA	WB
2. Employees of the bank are willing to help customers.	DB	BOA	WB
3. Employees of the bank devote time to reply to any of your questions.	DB	BOA	WB
4. The bank arranges special care to special customers.	BOA	DB	WB
5. The behavior of the employees inspires confidence in customers.	DB	BOA	WB
6. Employees give genuine and detailed information regarding to any transaction of the bank.	BOA	DB	WB

6. Miscellaneous questions

CRM miscellaneous questions	1 st performer bank	2 nd performer bank	3 rd performer bank
1. What makes this bank different from its rivals is that it can make successful relationships with its customers.	DB	BOA	WB
2. The bank welcomes complaints from customers.	BOA	DB	WB
3. The bank takes customer feedback seriously and replies to you.	BOA	DB	WB
4. I will recommend this bank to friends and family members.	DB	BOA	WB
5. I find it difficult to switch to other banks because of what I get from this bank.	DB	BOA	WB
6. The bank insists on error free records.	DB	BOA	WB
7. I am confident of giving positive word of mouth testimonies to others about this bank.	DB	BOA	WB
8. I intend using other products and services of the bank	DB	BOA	WB
9. I am very pleased with what the bank does for me .	BOA	DB	WB
10. Overall, I am satisfied with the bank services.	BOA	DB	WB